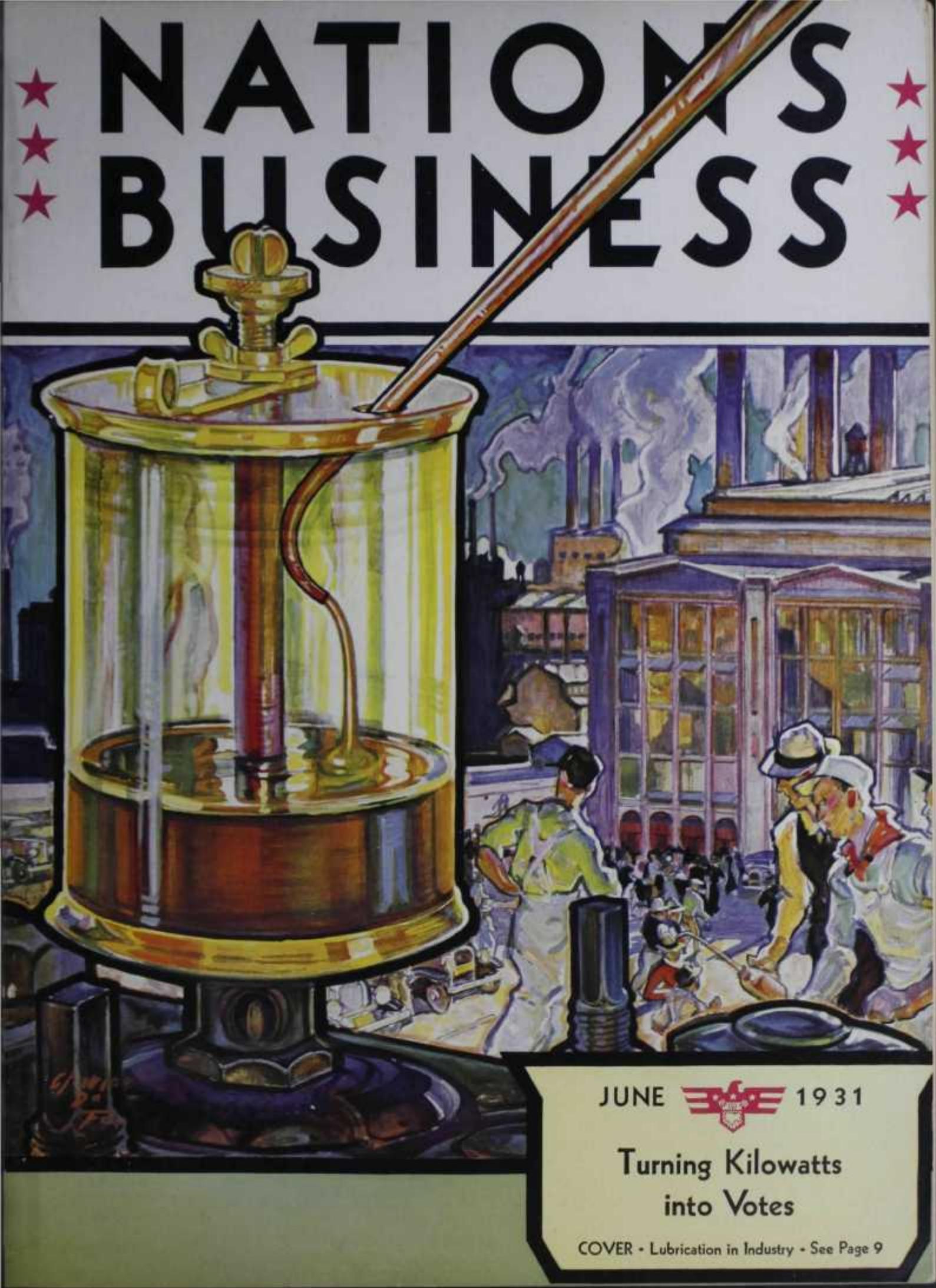


NATION'S BUSINESS



JUNE  1931

Turning Kilowatts
into Votes

COVER - Lubrication in Industry - See Page 9



Reproduction from a painting made at "Wilpen Hall," the estate of Mrs. William Penn Snyder, Sewickley, Pa., by Frank Swift Chase

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There is true economy in Davey service *Davey Tree Surgeons live and work in your vicinity*

Davey Tree Surgeons give you more service per dollar than any untrained or irresponsible men who may claim to work more cheaply per hour. There are very definite reasons for this fact.

Davey experts work with the assurance of scientific skill and successful experience, and without hesitation, guesswork, or loss of time. They are trained in the Davey Institute of Tree Surgery, the only school of its kind in the world.

No unnecessary work is permitted to be done by Davey Tree Surgeons. They are required by both organization discipline and professional training to do only those things which should

be done in the client's interest.

No money is wasted by Davey experts on trees that are too far gone. Furthermore, those trees that are in questionable condition are given only first-aid treatment, until it has been demonstrated by the increasing vigor of the trees that an investment in full treatment is warranted.

Davey work is done right, both mechanically and scientifically. It has permanent value and does not need to be done over again. It saves trees that are capable of being saved.

All Davey experts are workers—no other kind are retained in the Davey Organization. Diligent effort and

faithful performance are required and guaranteed.

The service of Davey Tree Surgeons is really local to you. They live and work in your vicinity. There is no charge for lost time—only for actual working time. There is no cost to you for carfare or any other extras except the materials that go into the work. Write or wire our nearest representative or home office in Kent, Ohio, for a free examination of your priceless trees without obligation on your part.

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There are no Davey Tree Surgeons except those in the employ of The Davey Tree Expert Company



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1846-1923
Father of Tree Surgery
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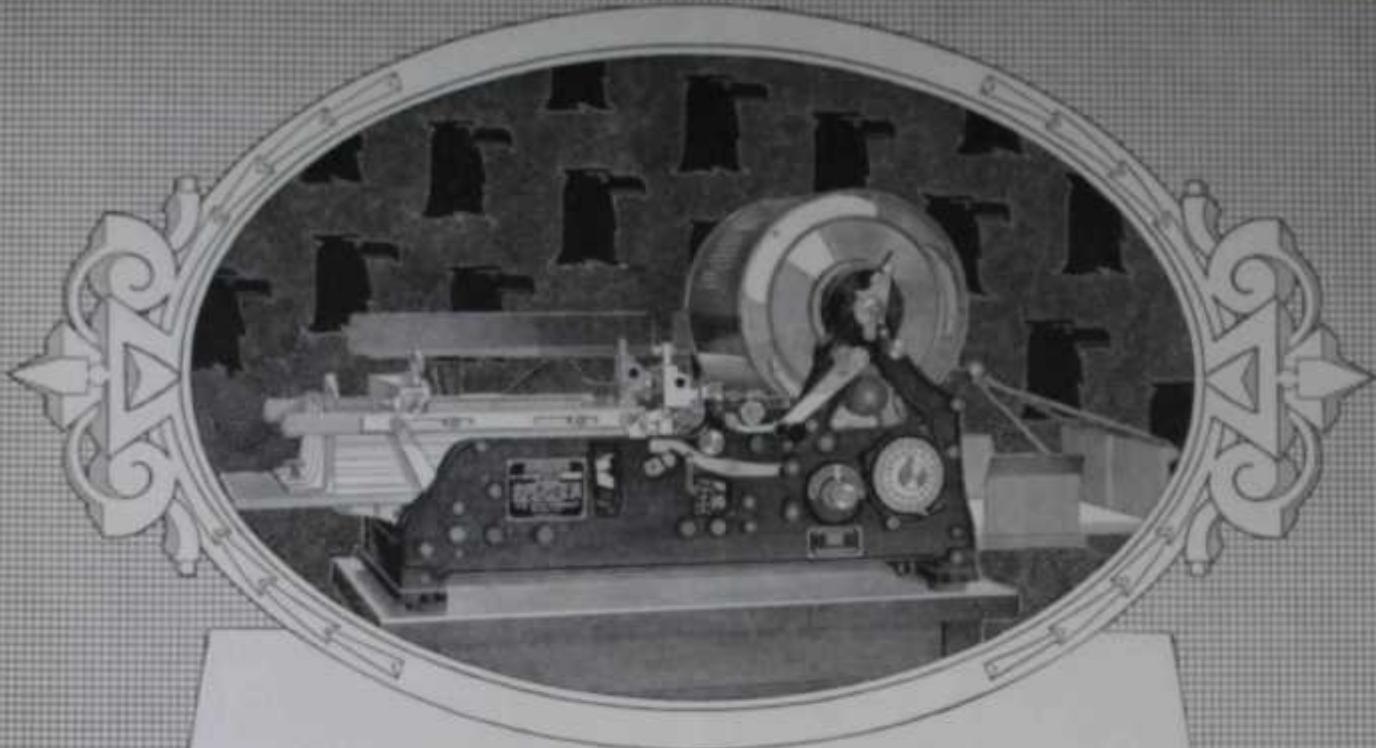
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*It
had to be
good to get
where it is*

A painting inspired by announcements of installations of soda fountains on battleships like the Colorado, Tennessee and on many cruisers and tenders.

Drink
Coca-Cola
Delicious and Refreshing

AROUND THE CORNER FROM ANYWHERE even in mid-ocean... *the pause that refreshes*

BOATSWAINS BARK. The big guns boom. Men spring into action tense and real as a battle. Then relaxation and recreation. And just around the corner from the guns is a cool and cheerful soda fountain offering ice-cold Coca-Cola—*the pause that refreshes* • • It fits. It fits into anybody's busiest day. That's why more and more

fountains are being built into U. S. Warships. • • Just a minute for just a drink. But what a minute—a cheerful rest period that sets you up for a fresh start. And what a drink—tingling with deliciousness and following through with a cool after-sense of refreshment. • • Afloat or ashore, you come up smiling for what's ahead.

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A pure drink of natural flavors served ice-cold in its own glass and in its own bottle: The crystal-thin Coca-Cola glass that represents the best in soda fountain service. The distinctive Coca-Cola bottle you can always identify; it is sterilized, filled and sealed air-tight without the touch of human hands, insuring purity and wholesomeness. The Coca-Cola Co., Atlanta, Ga.

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NATION'S BUSINESS for June



VOLUME 19

NUMBER 6

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*WHAT 1930 REVEALED ABOUT
AMERICA'S LARGEST BUSINESS...
THE FOOD INDUSTRY*



THE past year emphasized the stability of food manufacturing concerns. Taken by and large, the leading food companies maintained almost normal business.

General Foods, with 20 nationally advertised products, represents, in a measure, a cross-section of the package food business.

Many interesting facts about this company are brought to light in the General Foods year book, which is now being offered to the public. This book shows how a wide variety of products has helped stabilize sales. How research activities are producing new and improved products. How economies are being effected in manufacture and distribution.

This is the kind of information the thoughtful investor likes to have. You may secure a copy of the General Foods year book free upon request.

GENERAL FOODS

DEPARTMENT 4-P 250 PARK AVENUE NEW YORK CITY

Maxwell House Coffee, Log Cabin Syrup, Jell-O, Certo, Post's Bran Flakes, Minute Tapioca, Postum, Hellmann's Mayonnaise Products, Walter Baker's Chocolate and Cocoa, Franklin Baker's Coconut, Calumet Baking Powder, Grape-Nuts, Sanka Coffee, Swans Down Cake Flour, Post Teas, La France, Satinia, Diamond Crystal Salt, Whole Bran.



Through the EDITOR'S SPECS

EVERY now and then some man sets down a truth that is so obvious that the rest of us wonder why we had not thought of it ourselves. Perhaps we had sensed it, but, lacking the other's facility of expression, had neglected to put it into words. Perhaps we had even been practising it.

Certainly, however, clear expression of a problem is an aid to solution and, in "Your Business Faces Three Competitions" on page 24 of this magazine, Marsh K. Powers gives clear expression to a business problem that heretofore has not been given all the consideration it deserves.

Mr. Powers, president of The Powers-House Company of Cleveland, is an experienced advertising executive. He points out that every business man is in competition, not only with those selling the same type of goods, but with every business man everywhere. The real-estate dealer is competing with the steamship company, the sports-goods dealer, the automobile company.

The reason is that each of us has only certain desires, only a certain amount of money and only a limited amount of time. In other words, I won't buy your goods if they are not the goods I want, if I haven't the money to pay for them, or the time to enjoy them. These are the three competitions—Competition for Favor, Competition for the Dollar, and Competition for Time.

THESE competitions all cause business concern—as they always will. Out of the widespread competition for the dollar, for instance, has come the present orgy of price-cutting which is besetting business.

Price-cutting may or may not be a good thing. If a business man can attract customers and build his business by offering bargains to the public, that may be a good thing for him to do. On the other hand, price-cutting may be a

To an Executive who has earned \$6,000 a year

ALONG the route of a business career, nearly all men get stalled temporarily at some point.

After going ahead nicely for a few years, passing milestone after milestone of salary increases, they suddenly find themselves "brought up with a short turn."

For most men, this occurs at about the \$100-a-week or the \$6,000-a-year mark.

What is there about round figures like these that buffaloes good men and stops them from going on and up?

Two types of men can answer that question.

One type might say: "Six thousand a year is my goal. It's a good income—much better than average. I'm satisfied."

The second type will answer: "Two years at the same salary! Me! That will never do. I've run myself out of gas, and now I'm due to get the tank filled. It simply takes *more power* to go on from here."

If you are one of the latter type, this page is addressed to you. What will give you the added power to go forward?

More knowledge? Yes—but not mere *volume* of knowledge. You might easily spend years increasing your store of knowledge, yet not affect your income in the slightest.

What you need is a *definite kind* of knowledge that will help you to meet conditions as they are today. Business today is entirely different from business ten, or even five, years ago. The old rules no longer work.

To progress beyond the \$6,000 mark you *must know the new rules*. No matter what your job, you must have an understanding of the new influences that are at work everywhere. There is a new sales strategy, there are new production methods,

a new export situation, new methods of determining security prices, a wave toward big consolidations—in short, a new era of business.

How can you get this new equipment?

Many men in precisely this situation are finding the answer to their prob-

Department of Commerce; DAVID SARNOFF, President, Radio Corporation of America. And many others.

Can any ambitious man fail to get something of value from contact with minds like these? Here are a few examples, selected from many hundreds, showing how this organized knowledge is translated into added earning power:

CASE 1. Works Engineer, salary \$6,000; now Vice-President and General Manager, salary \$18,000.

CASE 2. Local Manager at \$5,200; now Regional Manager, salary \$15,000.

CASE 3. Production Manager, salary \$6,000; now President, salary \$21,600.

We invite you to send for the facts

The facts are contained in a booklet entitled "What an Executive Should Know."

It should be read by every man who is near that hazardous stage where men either stop or go on up, according to their own decisions.

This booklet is well worth half an hour of your time. Many men have said that in 30 minutes it gave them a clearer picture of their business future than they ever had before. It discusses *your* next five years in business clearly and helpfully. It contains the condensed results of 20 years' experience in helping men to forge ahead financially. It is interesting from the first page to the last.

This booklet costs nothing. Send for it.

WARNING
The next 5 years offer more opportunity for profit—and more danger—than any similar period in a generation

lems in the Alexander Hamilton Institute's new Course and Service. This Course, new from start to finish—so new, in fact, that the latter part is barely off the press—is abreast of modern business down to its final detail.

In order to make the Course as sound as it is up-to-date, we have enlisted today's foremost leaders in many fields of business as contributors. Among them are:

ALFRED P. SLOAN, JR., President, General Motors Corp.; FREDERICK H. ECKER, President, Metropolitan Life Insurance Company; HON. WILL H. HAYS, President, Motion Picture Producers and Distributors of America; DR. JULIUS KLEIN, The Assistant Secretary, U. S.

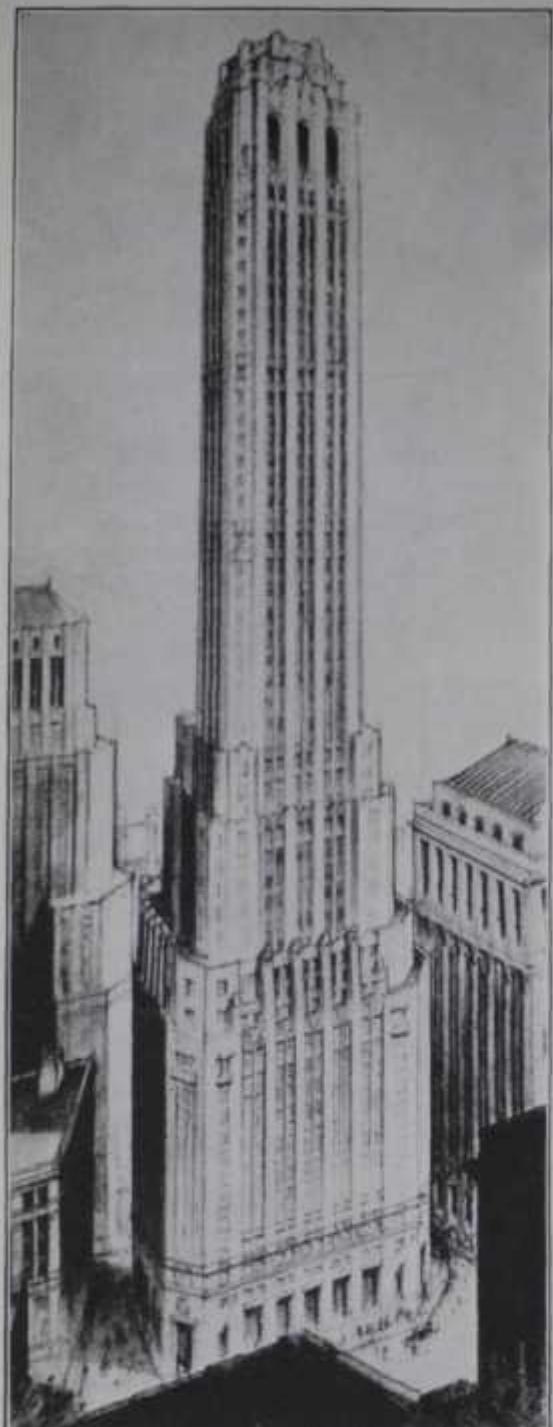
To the Alexander Hamilton Institute, 472 Astor Place, New York City. (In Canada, address Alexander Hamilton Institute, Ltd., C. P. R. Building, Toronto.)

Send me "What an Executive Should Know," which I may keep without charge.

NAME _____

BUSINESS ADDRESS _____

BUSINESS POSITION _____



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Corporation

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of Steelcrete, threaded
with tool resistant steel
bars, all embedded in
concrete...most com-
plete protection known



Steelcrete
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bad thing for business in general. It may be the thing which is causing some businesses to operate without a profit.

In this number of NATION'S BUSINESS price-cutting is discussed from three angles. Charles F. Abbott, executive director of the American Institute of Steel Construction, has thought the problem through from the viewpoint of the trade association executive, and presents some thought-provoking ideas in "Some Aspects of Price-Cutting" on page 52.

On page 56 a manufacturer speaks in "State Your Price and Mean It." C. R. Palmer, the writer of this article, is president of Cluett, Peabody and Company, makers of shirts and collars. Mr. Palmer tells of the policy his company has adopted against price-cutting in any of its guises.

"Our experience shows," he says, "that when the retailer knows that he is not going to get a special discount and that nobody else is going to get it, he is completely satisfied and forgets that he ever did business any other way."

The article, "I Make Money Being Hard-Boiled" on page 58 expresses a retailer's views on price-cutting. This man, an automobile dealer, does not believe in price-cutting in his own business, but he takes advantage of it wherever he can in doing business with others.

This article is a chapter out of a business man's life. Art Brown, of our staff, was returning to Washington recently from a trip and on the train he met this dealer, who told him about his experiences with price-cutting.

BUT there are other things in this issue of NATION'S BUSINESS besides articles on competition and price-cutting. If you are a stockholder—and who is not nowadays?—you will be interested in what Mark Wolff has to say in "Do Stockholders Get a Fair Deal?" on page 39. Mr. Wolff is a practical economist.

Mr. Wolff has been on the inside of some recent corporation proxy contests. He knows all there is to know about the opportunity for malpractice by management in big companies where the stock is widespread. He not only knows the reasons stockholders sometimes have for complaint, but he also knows what they can do about it, and how they can best protect their own interests. His article is worth reading.

FOR lighter reading this month, we recommend Paul McCrea's "Socializing the Shoe String" on page 17. This is fiction based on the Government's pro-

pensity for getting into the field of private enterprise and spending the taxpayer's money. It is fiction but Mr. McCrea's bureau chief has counterparts in real life today in Washington—and in the story there may lurk a moral. You will remember Mr. McCrea as the author of "How I Broke Into the Law-making Racket," which appeared in NATION'S BUSINESS last June.

Edward S. Cowdrick, author of "Manpower in Industry" and a student of employer-employee relations, writes "Labor Management in Depression" on page 32. Mr. Cowdrick shows how management's attitude toward the personnel director has changed in recent years.

When hard times came in 1921, the personnel man was among the first to go. His salary off the pay roll helped reduce expenses. But during the depression from which we are now emerging, the personnel man proved a most valuable asset, a big help to management. What has happened in industry to bring about this change?

CHANGE is always with us and always will be. Sometimes it is sudden, more often it is gradual. Matthew S. Sloan, president of the New York Edison Company, tells of a subtle change which is likely to overtake the power industry in "Turning Kilowatts into Votes" on page 21. We have no power menace today, Mr. Sloan points out, but we are likely to get one tomorrow through the maneuvering of certain politicians.

OUR cover this month may seem uninteresting at first glance. It shows an oil cup being replenished. "That," some may say, "is commonplace and undramatic."

Those with more imagination, however, will look beyond the oil cup. They will see towering factories, unceasing activities. They will realize that, without lubricating oil, men today would be toiling with simple tools that could be hammered out on an anvil. Without oil our vast production machinery could not operate, our railways and steamships could not distribute its wares. Our automobiles not only could not run—they could not be built.

And so the oil cup is dramatic. Tucked away in the whirling machinery of business it quietly performs its work of feeding oil to busy bearings. It is not spectacular but if it fails, the machine fails; if it is neglected, the resulting damage may be great.

(Continued on page 158)

What can you profitably spend for SALES in the ROCHESTER AREA?

SEVEN counties comprise the Rochester, N. Y. Buying Area. You should devote 60% of your sales effort to one county—Monroe—if you sell "products bought by everybody". The farm market is quite evenly distributed over all seven counties—all are "good"—and together should yield about 8% of your New York State farm sales.

Similar data on the other eight buying areas in New York State are available in the new marketing manual published by the 16 banks of the Marine Midland Group. This book also outlines sound sales control methods. It contains one section devoted to jobber outlets. It lists 375 directors of Marine Midland Banks with their other affiliations. It is free to executives.

In addition, each of the 16 Marine Midland Banks, located throughout the state, offers a detailed knowledge of the ever new business happenings in its area. We shall welcome an opportunity to serve you.

*We're Marine Midland Group,
Inc., 708 Marine Trust Building,
Buffalo, N. Y., for this list.*



Banks of the MARINE MIDLAND GROUP

The 16 New York State Banks that compose the Marine Midland Group are:

NEW YORK CITY	Marine Midland Trust Company	BUFFALO	Marine Trust Company
TROY	The Manufacturers National Bank of Troy	EAST AURORA	Bank of East Aurora
BINGHAMTON	People's Trust Company	JAMESTOWN	Union Trust Company
JOHNSON CITY	Workers Trust Company	LACKAWANNA	Lackawanna National Bank
CORTLAND	Cortland Trust Company	SNYDER	Bank of Snyder
ROCHESTER	Union Trust Company	TONAWANDA	First Trust Company
ALBION	Olcott County Trust Company	NORTH TONAWANDA	State Trust Company
LOCKPORT	Niagara County National Bank & Trust Co.	NIAGARA FALLS	Power City Trust Company

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Name _____

Address _____



S.H.



Pulling Rabbits Out of the Hat

THREE thousand business leaders, representing every industry and every section of the country, recently met in Annual Convention of the United States Chamber of Commerce.

Two comments on the meeting provide a text. A United States Senator questions whether there was any business leadership, because, as he says, "no Moses appeared." One of his colleagues sharply chides business for its criticism of political interference with the normal processes of trade.

It is true that no Moses appeared, that there was lack of ready prescription for the world's ills. Perhaps our gratuitous commentators missed the real purpose of the gathering. No delegate had in mind the contrivance of an emergency restorative. The fact that men met to make common cause against common problems in no degree argues the delusion of omnipotence. And surely no one is so simple-minded as to believe that prosperity is to be produced by a "Presto, change!" from the lingo of legerdemain. Business sought to perform by laying on of hands, rather than by sleight of hand.

There is no novelty in this complaining about the leadership and stewardship of business. Every depression brings a flood of implications that somebody—an influential group, or the industrial system, or the monetary system, or the capitalistic system, or some other mysterious source of power—is responsible. Most of this comment comes from those who advocate radical changes in the existing order. A more disturbing thought is the realization that men in high places are no less inclined to make political capital of economic difficulties. It all confuses the public mind.

Even while the convention was in session, it was significant that the President of the United States transmitted his belief that the work of trade associations is essential to the economic progress of the country, and declared that abuses of their powers were rare. And two days later Calvin Coolidge took occasion to say:

Neither the state nor the federal governments can supply the information and wisdom necessary to direct the business activity of the nation. About all that can wisely be done in this direction is provided by trade organizations. . . . The experience, will and wisdom necessary to guide business cannot be elected or appointed. It has to grow up naturally from the people. The process is long and fraught with human sacrifice, but it is the only one that can work. Edison and Ford are not government creations.

As to the charge that business criticized Govern-

ment, is not that only the exercise of good citizenship? It is patriotism of the highest order for our industrial and trade leaders to resist, in and out of conventions, the insidious trend which promises to put the American people completely under the aegis of bureaucracy.

To those who are tender-minded about the propriety of business representations to the Government, let a third President, Woodrow Wilson, reply:

The history of Liberty is a history of the limitation of governmental power, not the increase of it. When we resist, therefore, the concentration of power, we are resisting the processes of death, because concentration of power is what always precedes the destruction of human liberties.

The science of economics is quite a different thing from the art of politics, and this in no disparaging sense. Politics has its ear to the ground. It is easy to get popular support for any proposal which carries the magic words of "government" administration and "government" expense. But economics must see the thing clear through and locate the station at which we are to get off.

Is it, for example, federal unemployment insurance? Fine, we say, let the Government do it.

Wait a minute, says the science of economics, where is the money to come from? Who will decide who is unemployed and meriting such insurance? Losses, such as by fire and theft, can be verified. Losses resulting from unemployment bring in grave intangibles. Can illegitimate claims be eliminated without imposing an undue handicap on legitimate claimants? Why has every other such experiment failed?

So, after extended discussion, business recommends that insurance companies and corporations continue their study in a complex and intricate field.

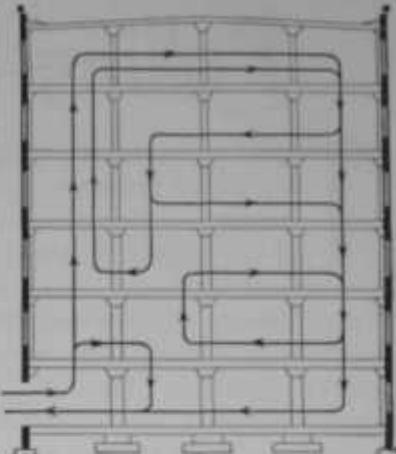
Thus the science of economics, at this meeting, studied more than a hundred similar questions.

Business has no bag of conjurer's tricks. It can wrest no screaming headline from the press by pulling a rabbit out of a hat to the pop-eyed wonderment of the populace. But, stripped of pretense, of politics, of partisanship, it can give sane direction, through such meetings, to the forces of reconstruction.

Meredith Thorpe



Exposing a "White Elephant" plant like that at the left, in which modern straight-line production methods are impossible. Even operating at full capacity such a plant with unavoidable back-tracking, is seriously handicapped . . . when running at fractional capacity it cannot hope to turn a profit.



TOO MUCH PLANT? Not Enough Earning Power?

Plants like the above, or those with many scattered units, burdened with obsolete production areas, lack earning power when forced to operate at fractional capacity and to overcome relentless competition. If you are face to face with such a profitless situation Austin can probably show you how to cut your plant investment from *one-fourth* to *one-third*, and substantially reduce production costs.

. . . working with Austin Engineers one Eastern manufacturer reduced his plant investment 40%.

. . . for another manufacturer Austin helped bring about a 30% reduction in production costs.

. . . Austin helped another manufacturer make savings equal each year to one-third the cost of the plant.

Now is the time for action. With building costs well below the past 10-year average, plus the savings in production which can often be made through the application of Austin's analytical engineering experience, a double-barreled opportunity is presented to the aggressive executive. Under such favorable conditions, why not let Austin present the facts and figures—no obligation of course.

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NATION'S BUSINESS

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MERLE THORPE, Editor

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As the Business World Wags

THUS WE MAY SEE, QUOTH HE,
HOW THE WORLD WAGS—*As You Like It.*

Interest and Criticism



of its predecessors did.

The meeting was attacked for saying too much and doing too little. Turn to a newspaper neighbor of the Chamber, the *Baltimore Sun*. Said the *Sun*:

Except to oppose further Federal income tax increases, the Chamber failed in its resolutions to take a definite stand on any of the economic prob'ems which have been foremost in the country during the last eighteen months.

But what would be a definite stand on say unemployment? A resolution deplored unemployment? As useful as affirming the Ten Commandments. Or a resolution approving any one of various legislative proposals? Not without thought?

So the annual meeting contents itself with advising a continuation of the studies of its committee on unemployment and business stabilization. There are two dangers in dealing with such subjects: the danger of hasty and ill-advised action when times are bad and of indifference when times are good.

And the Chamber's method provides against both.

Not Ruled By the Few



SENATOR BORAH was another of the critics of the annual meeting. "Lack of leadership," one of the most overworked of phrases, was his theme. "There was only one thing I gleaned from the proceedings at Atlantic City and that was that no Moses appeared."

Without reverting to the argument of *tu quoque* and

asking who is the Senatorial Moses we suggest this: the Chamber did not meet to produce a Moses. It met to exchange opinion, to stir thought and to lay plans for future study and for the formulation of business views.

Working for Better Times



THE writer returned the other day from a trip to Cleveland, Pittsburgh, Detroit and Chicago. In each place he talked with business men and in every case the talk turned to general conditions.

How would you present a composite picture of the states of mind of these men as to business? In general thus: they are convinced that recovery is on the way but that it will come slowly.

Business seems to have had three mental stages in the last twenty months. At first it said: "Oh, well, things are a little bad, but they'll soon be better. Don't let's worry."

Then business spirits fell to the depths. "Business is rotten. I can't see much hope."

Now business is saying: "Let's buckle down to work and make the best of the situation."

Price-cutting Makes Business



IN TALKS with business men today price-cutting is apt to bob up as a subject. On pages 52 and 56 of this issue various points of view are presented.

A midwest manufacturer of material used largely in industrial building was asked if price-cutting worried him.

"Of course," said he, "price-cutting isn't a pleasant thing to have to do. We don't enjoy it. All of us would like to keep prices firm and to do a lot more business."

"But don't forget that price-cutting is the thing that

pulls us out of such a condition as we are now in. When prices are pulled down to a point where buyers are strongly attracted and where they say to themselves, 'Well I guess I can't afford *not* to buy that,' then business is done.

"My tailor wrote me the other day that he had reduced prices on suits and I ordered one, a thing which I'd been putting off. And most of us will do the same at some point or other."

Overselling the Public



ROME C. STEPHENSON is president of the American Bankers Association. In one of the outstanding addresses at the annual meeting of the United States Chamber of Commerce at Atlantic City in April he said:

Especially should it refrain from inveigling the public into habits of but half using the things it buys and hastily scrapping good values to seize catchy newfangled models. Such a policy of merchandising may stimulate for a time a feverish turnover of business, but in the long run it defeats its own purpose by exhausting the public's purchasing power—by exhausting, too, the psychological reaction of people to sound progress and true improvements.

Mr. Stephenson is president of the St. Joseph Loan and Trust Company in South Bend, Indiana. In that busy city also are located the main offices and plant of the Studebaker Corporation which has been trying through very interesting advertising to sell this editor a new car although the editor still has a car which would meet Mr. Stephenson's description of only half used.

Will Mr. Stephenson please tell that other able citizen of South Bend, Albert R. Erskine, president of the Studebaker Corporation, to stop trying to sell the editor a new car before his old one is worn out? We doubt if he will.

Muscle Shoals Dependability



THE recently vetoed Muscle Shoals legislation contemplated additional expenditures for power by the Federal Government of more than ninety million dollars. Apparently the hope is in some way to get great peacetime benefits from a war accessory.

As a matter of fact, the only thing left of the taxpayers' money already invested there, is the water power plant, which has been widely hailed as the six-hundred-thousand-horsepower "Niagara of the South." As the river runs, there is water enough to generate about 80,000 horsepower at the Wilson Dam of the dependability of Niagara power. And a single 80,000 horsepower plant in one corner of the United States is no suitable establishment to operate as an index and check of the services and costs of public utility operations throughout the country.

In this day and age most power plants projected by the utilities companies contain single units surpassing Muscle Shoals in power producing capacity. In the State Line Plant on the shore of Lake Michigan, the units being installed have each a capacity of 260,000

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horsepower. Even the Government's most recent development, the Boulder Dam project contemplates the installation of 1,100,000 horsepower. Thus 80,000 horsepower at Muscle Shoals sinks into insignificance. About half of the \$90,000,000 further federal expenditure was intended to build Cove Creek Reservoir, and thus by regulating the flow of the Tennessee, bring into perspective the original 600,000 horsepower picture. But even with the Cove Creek Reservoir, only 300,000 firm horsepower can be depended upon. Other storage and supplement steam plants would unquestionably follow to make available the original amount of power which the people were led to believe was awaiting there.

But why tax the people in all sections of the United States just to make good a legislator's dream?

More rivers in the northwest would have their value increased by storage development—so with the southeast, the northeast and the middlewest.

The time may be at hand when legislators, business interests and municipal organizations should devote their time and attention to the working out of a broad national program of headwater improvement. If the Federal Government is going to tackle the job of regulating our water courses, let it be in accordance with plans which all sections can approve. That end alone justifies the means.

Problems in Insurance



LET'S stop talking about insurance against unemployment and insurance against old age! Insurance might be described as a means of averaging losses.

Let us picture a group of 1000 men each 50 years old. Insurance will tell us how many will die this year and how many in 1932 and so on. By asking each of the thousand to contribute so much it can equalize the money loss to death.

But of those thousand men how many will be old at 51 and how many young at 70? It would not be hard to recall in your acquaintance men who will be retired for old age at a time when the world would call them young. There's a problem in presenting anything like a reasonable system of old-age insurance. We have figures on the ages at which men die; we know little or nothing of the years which mark men as old in the world of work.

And if old age is an insurance puzzle what of unemployment? Styles change overnight and the factory that was prospering on Thursday may shut down forever on Friday. Who can fix the premium on an insurance policy against unemployment?

High Cost Wheat Growers



THE Farm Board has proposed to the wheat growers of the United States that they reduce the acreage of wheat.

To a member of the Farm Board sponsoring the proposal, a distinguished agricultural economist put this question:

"Let us suppose that some great corporation—

United States Steel perhaps—had scattered all over this country plants of widely different efficiency. The directors decide that it is necessary to reduce production by 25 per cent. Will they cut proportionately at every mill or will they shut down the least efficient?"

Not a hard question to answer. When one remembers that costs of wheat production may range from thirty cents a bushel or even less to five or six times thirty cents it is not hard to see what will happen to any call to reduce wheat acreage. The high cost producer will suffer. But the high cost producer will always suffer.

As Government Helps Business



TO understand the Federal Government one must never forget that it is divided into departments, that departments are subdivided in bureaus and that bureaus are again subdivided into divisions.

So it is to the Shoe and Leather Manufactures Division of the Bureau of Foreign and Domestic Commerce of the Department of Commerce that we are indebted for such information as this:

The presence of thousands of foreigners, mostly engaged in the oil business and drawing large salaries, has increased the demand for shoe polish tremendously during the last six or seven years. During prosperous times the oil worker often had his shoes shined not because they needed it but merely to provide an opportunity to spend more of his money. He often paid the bootblack twenty cents or more.

The average cost for having a pair of shoes shined during 1930 was ten cents. In view of the changed conditions, however, the tendency to spend money foolishly has decreased considerably and the bootblack is now soliciting business at a charge of five cents for a shine. The demand is mostly for black, brown and white polishes.—Vice Consul Gerald A. Moknia, Maracaibo.

How many, many makers of shoe polish have been saved from sending pink, green and purple polishes to Venezuela!

Coal, Fuel or Raw Material?



AT ONE of the largest print paper plants in America a visitor was told: "We are not really paper manufacturers. We are manufacturers of chemicals, of all sorts of products that can be made of wood with the help of chemistry and the variety seems infinite."

Coal is another industry that is learning the lesson that it must provide not just fuel but the raw materials for chemical manufacture. Says *Research Narratives*:

Coal is destined to be the most important raw material ever available to chemical industry. Starting with coal, proceeding thence to water-gas we have a material that is the immediate starting point in the synthesis of ammonia, of alcohols, and of motor fuels. We can combine the hydrogen derived from water-gas with coal itself thus obtaining synthetic gasoline and other hydrocarbon oils comparable in utility with the present products from petroleum.

And think of the coal tar derivatives. The simplest summary of them leaves the reader dizzy. It was not many generations ago that coal and wood fought for a place at the domestic hearth. Think of the fight that is going, and will go on, between them to supply wants of which we are not even dreaming.

And think of the businesses that will be made and unmade by these new things. Truly it is the X-forces as NATION'S BUSINESS has named them, those influences from outside that really rule American business.

Financial Unemployment



NOT least interesting of recent items of business news is that the Bowery Savings Bank would refuse more than \$1000 from a depositor in the first three months after the account is opened. Other banks have done the same. The Seamen's Bank for Savings in New York was reported to be turning away \$100,000 a day.

A life insurance president to whom the item was pointed out said that his company was refusing money,



There ought to be a law providing a truck

EDDIT IN THE DALLAS MORNING NEWS

—money offered to it plainly for purposes of investment rather than for insurance.

Corporations and individuals with investment funds have been ready to take the four or four and a half per cent of the savings bank partly because interest rates are low, partly because the money couldn't find or was afraid to seek other useful work.

Money as well as man seems to have an unemployment problem at times.

The Uses of Adversity



ADVERSITY, like politics, makes strange bedfellows. The railroads are crying out that their lot is hard, that competition from buses and trucks and airplanes and pipe lines

besets them on every side.

And, joining with the railroad executives and the railroad stockholders in protesting that evil days have befallen that means of transportation are the railroad workers. A few weeks ago at a meeting of representatives of the engineers, firemen, trainmen, conductors and switchmen, resolutions were adopted urging that no permits be granted for bus and truck lines unless it could be shown that adequate railroad facilities were lacking; demanding the regulation of bus and truck rates and proposing added taxation on bus and truck transportation.

The railroad workman may not see eye to eye with the railroad president when a question of wages is involved, but let him feel that there is any threat to the prosperity of the railroad business as a whole and he and the president will suddenly find that they are blood brothers after all.

On Politics in Railroads



SILAS H. STRAWN, newly elected president of the National Chamber, talking to the Traffic Club of Chicago, read this extract from a report made to stockholders of the

Chicago and Alton in 1873:

When the people of the country learn, as they will ere long, that they have been deceived by political demagogues, they will acknowledge and accept these facts as the basis for proper relations between themselves and the railways, and will no longer attempt by unwise and impracticable legislation to deprive the owners of railway property of a reasonable discretion in its management.

Nearly 60 years ago and the people have still to learn!

The Modernized "General Store"



JOHN B. GUERNSEY, in charge of the Retail Census of Distribution, declared recently that one of the most marked of the tendencies apparent in retailing, from the

returns so far collected, is for stores of all types to handle an increasing variety of merchandise. In many cases, he said, the items carried showed little apparent relationship.

The drug stores were among the first to diversify. Hardware stores soon were carrying lines once found only in furniture stores or electric shops. Now grocery stores, tire shops, filling stations, and hosiery "shops" carry unexpected items prominently displayed. Even

the unemployed apple vendors have branched out into side lines of tangerines, lead pencils and gum.

Nearly a year ago NATION'S BUSINESS said editorially, "Perhaps there is more a tendency toward a return of the general-store idea in department-store practice than some of the statistical experts realize."

Today, we are assured that the trend toward the general-store idea is strong in all lines of retailing. What of tomorrow?

Gopher Prairie Please Copy



RAILWAY presidents met to discuss problems which had arisen because they faced new rubber-tired competition on the people's highways.

But these also are the people's railways, said one; why not talk frankly to them about this thing? And they did. Moreover, an editor sought out this railway president who believed in frankness, desiring, and quickly, a thorough exposition of the railway situation in an interview-article which would be given nationwide distribution in a score of Sunday newspapers.

The railway president pushed aside important affairs to help collect material for an article "typically American." It dealt with the welfare of billions of invested dollars. It was important, challenging—and ready on time.

But from across the ocean came a scientist, a mere mathematician; a man who plays a violin and has scarcely one mark to clink against another; a thinker whose speculations mean nothing of practical financial value to anybody.

And that newspaper editor, knowing his public in a score of cities, hired an eminent author to visit around with the long-haired thinker and record his casual observations.

And it was *that* article which was rushed into print, while the railway president and his message about the health of billions of invested dollars, and the importance of a railway problem to your pocketbook and mine had to stand aside. He had been hurried and hustled. But here was something deemed more important in the public mind: a visiting scientist. The billion dollar message waited over another week.

All this happened in Sinclair Lewis's United States!

Constructive Suggestion



IN MARCH on this or a nearby page a visitor voiced the fear that ultimately this Western Republic of which we are so proud would be smothered under files. He couldn't figure where we should find room for them.

But a correspondent, nameless but respected, has a suggestion. Pinned to the clipping which recorded the visitor's worry was this note:

"Say, you tell this fellow to quit worrying. This solves the question of what to do with the Public Domain. Think of what a relief it will be when Congress lays off of tariffs and export debentures to decide whether the Prohibition files belong on Tatoosh Island or Mojave Desert."



"When Senator Tramway broke his shoe string," he said, "he said something—"

Socializing the Shoe String

By PAUL McCREA

Of the staff of NATION'S BUSINESS

ILLUSTRATIONS BY TONY SARG



THE CHIEF of our Bureau looked at me across his desk.

"I played a round of golf with Senator Tramway yesterday," he said.

I settled myself to listen to the stroke-by-stroke account of the game that I have heard every Monday morning since I came to the Bureau as Assistant to the Bureau Chief.

"The Senator broke his shoe string," the Chief said.

"Is that so?" I said absently. At the time my interest in senatorial shoe strings was not acute. I didn't realize then that this broken string was to cost the taxpayers about a million dollars.

"It was the shoe string in his golf shoes. It delayed us so that we almost missed our starting time and the Senator was greatly upset. It ruined his game, in fact. We lost the match."

"Too bad," I said.

The Chief acknowledged my sym-

pathy in a rather preoccupied way. "When Senator Tramway broke his shoe string," he said, "he said something—"

"A man would," I said.

"Something very remarkable," the Chief said. "The Senator said, 'Why

doesn't somebody make a shoe string that won't break just when you don't want it to?'"

"I've thought that myself," I said.

Shoe string knowledge

THE Chief slammed his fist on the desk.

"That's it," he said. "Everybody has thought that at one time or another but nobody ever did anything about it. Did you ever do anything about it?"

"No," I said. "I never did."

"Well, I'm going to. This Bureau is going to find out why shoe strings break. After all, what do you—what does anybody know about shoe strings? Nothing. You buy 'em, you put them in your shoes. After a while they break. Why do they break?"

"They wear out," I said.

"Why do they wear out? Tell me that."

"Why," I said. "They wear out be-

cause—well, they just wear out in time."

"Bah!" the Chief said, "a fine public servant you are. The great inarticulate public is crying for shoe-string relief and all you can say is that shoe strings wear out. We can't stand idly by like this and let that plea go unheeded. It is our duty to serve."

"But," I said, "how do we know they want to be served?"

"Don't you realize," the Chief said, "that every man, woman and child in this country is a shoe-string consumer? These people are constantly embarrassed by broken shoe strings. You yourself have been so embarrassed. Apparently the manufacturers either cannot or will not do anything about it. Therefore the Government must do something. We must conduct research into the wearing qualities of shoe strings."

"That will cost money," I said.

"Then we must get the money. Congress will appropriate it gladly when it understands the great public need."

"How will Congress find that out?"

The Chief looked at me thoughtfully.

Finding the crying need

"WHERE need exists, proof should not be hard to find. Senator Tramway's experience yesterday is one indication of the need. It is our duty to find others."

I went back to my office and tried to equal the Chief's enthusiasm. I couldn't make it. He has something I shall never have, the will to drive ahead, a love for his Bureau and for his job and a sincere desire to serve the people. As a corporation executive he would probably be a millionaire. As a government official he makes a living but he is as happy build-

ing up his Bureau and as proud of its achievements as any man could be of a private business.

So I knew he honestly saw a need for research into shoe strings. If the need existed, to his mind, money for the job should be appropriated and the job begun. But I knew such things just don't happen. They have to be brought about.

Shoe-string conscious

SO I sat with my feet on my desk and looked at my shoe strings. I wanted to become shoe-string conscious. Finally I cut off an end of one of the strings and examined it. It was made up of a lot of little threads woven together. That gave me an idea. I called my secretary.

"Take a letter," I said, "to all the cotton, flax and silk associations. You'll find their addresses in the mailing list for our regular publicity releases. Say to them, 'Gentlemen—May this Bureau—in line with its constant policy of giving service to trade and industry—call your attention to the vast market for shoe strings. These strings represent an article of almost universal consumption, yet very little attention has been given to them, either in the fields of research or of advertising. Please inform us if your association has ever conducted any research into the field or any study as to the tensile strength, or resistance to wear, of shoe strings. We are especially interested to know if increased consumption of shoe strings would improve the market for your product.'

"Now," I said, "take another letter to all the shoe manufacturers and dealers. Say to them, 'Gentlemen—This Bureau,

in line with its constant policy of giving service to trade and industry, has long been interested in the question of shoe strings. Our experts are of the opinion that shoe strings represent an often overlooked weakness in the shoe industry. The strings are really the most vulnerable part of the shoe. They are the first to show wear. Our experts believe that carefully styled shoe strings of guaranteed service would offer an attractive selling argument for the shoe industry. To facilitate our study of this problem we ask you to reply to the following questions:

"Are shoe strings at present a selling force in shoe sales?

"Does a pair of shoes outlast the usual commercial shoe string of today?

"Do you believe the public would appreciate better shoe strings?"

I went to luncheon pretty well pleased with myself. I did not see how the letters could fail. Any replies I received would serve as evidence of interest in shoe strings and any logical replies to the questions I had asked could certainly be construed as demands for research into the field.

Having sent out the letters, there wasn't much I could do except wait for answers. But the Chief was impatient.

"We must get action on this at once," he kept saying, "so we can have the funds for this research incorporated in the new appropriations. It will be a great thing for the Bureau. It will mean growth, more service to the public, more—"

"Prestige?" I suggested.

"Prestige," he agreed. "A Bureau can't stand still, you know. It must grow or it vegetates."



"Already I have three men in the laboratory tying and untying their shoe strings," Potter said. "They are keeping count of the number of times these operations can be repeated before the strings break."

When the letters did begin to come in they were as good as you could expect. Nobody actually demanded research into shoe strings but the textile men admitted that anything—including shoe strings—that increased the market for their product would help their business. The shoe men wrote that shoe strings at present were not a selling factor for shoes.

Unread evidence

IN MANY of the letters, too, there were phrases that we could lift out. "Shoe strings are an unexplored field," "your interest in our industry," things like that.

When I decided I had all the answers I was going to get, I went in and dumped them on the Chief's desk.

"Here is evidence of the public demand for shoe-string research," I said. "You can read them if you want to, or you needn't bother. They agree that nobody knows anything about shoe strings."

The Chief looked at the size of the pile.

"Imposing evidence," he said. "How much money do you think we would need for this work?"

"I don't know," I said. "I've no idea how you would go about finding out the strength of a shoe string. But I'll ask Dr. Bodkin."

"Do that," the Chief said. "Tell him this work is important and must not be handicapped by lack of funds."

So I went to see Bodkin who is the head of our Research Division.

"Doc," I said, "the Bureau is going to study shoe strings."

"What for?" he said.

"Because business demands it. The textile industries and the shoe industries have flooded the Bureau with letters demanding this investigation."

Bodkin sighed.

"When do I have to start this thing?"

"Not yet. We'll have to get an authorization for an appropriation through first. That's what I wanted to ask you. How much would it cost and how long would it take to find out the strength of a shoe string?"

Bodkin smiled.

"About ten minutes," he said. "You'd tie one end of the string to a rafter and hang a weight on the other end. You'd increase the weight until the string broke and then you'd measure the weight."

"Twenty-five thousand dollars ought to be enough then."

"It ought to, yes," he said dryly.

"For three years?"

"Three years would be ample."



"You'd hang a weight on a string," he told me, "and then increase it until the string broke"

"Good, I'll tell the Chief."

"Better make it \$35,000," the Chief said, when I told him. "Then, if the appropriation committees cut down the amount, we'll still have enough. I'll talk to Senator Tramway at once."

Preparing for experiments

IF you want complete details of what happened next, you can find them in the *Congressional Record*. Tramway got a bill through the Senate; we added \$35,000 to our requested authorization; this was cut to \$25,000 in committee and that's the way the final bill read.

I went in to see Bodkin.

"We've got \$25,000 for shoe-string research," I said.

Bodkin laid down his slide rule wearily.

"All right," he said. "I suppose the Chief is happy."

"Very happy."

"Good. Now then, what is it we're trying to do?"

"We want to know why shoe strings wear out."

"Who wants to know that?"

"Business."

"The shoe-string people?"

"Yes."

"Not the public?"

"No."

"In other words, we don't have to prove that the shoe-string industry is full of profiteers who are mulcting the people by turning out an inferior product. We're helping the industry."

"Right."

"Right. I'll put Potter on the job."

"Won't he need any help?"

"If any man would, he will. Don't be alarmed. If I have to spend \$25,000 I can spend it. I wouldn't be head of this Division if I couldn't. I'd rather spend it doing useful work, but if I can't do that I'll spend it the way I can."

Bodkin is a great scientist but he will never be a bureau chief. He seemed actually to resent the fact that the Bureau had more money to spend.

Potter is different. He came into my office next day smelling of chemicals.

"Mr. Larkin," he cackled, "I don't want to bother the Chief, but I'm afraid \$25,000 isn't enough for this shoe-string research."

"Not enough?" I said.

"No, sir. You see, the problem has many ramifications."

"But," I said, "I thought it was pretty simple to test the strength of a shoe string."

"Oh, that," he said. "Yes, that's very simple. But my preliminary experi-

ments have convinced me that tensile strength concerns our problem very little. I'll conduct further experiments along that line, of course, but I believe that what we have to deal with is abrasion. It is the repeated friction on the eyelets, the repeated knotting and unknotting that wears out shoe strings. Already I have three men in the laboratory tying and untying their shoe strings and keeping count of the number of times these operations may be repeated before the strings break. I should have more men for this work, more shoe strings and more pairs of shoes with different types of eyelets. Also, I find that many types of sport and work shoes have leather laces. I wanted to ask if leather laces are within the scope of our investigations?"

The field of shoe strings

"CERTAINLY," I said, "leather laces would be included. This investigation is to cover the whole wide field of shoe strings—cover it thoroughly."

"And another question," Potter said. "There is also the matter of—ah—corset strings. Although, accurately, they are not shoe strings, still, in material and fabrication, they belong to the shoe-string family. Shall we examine corset strings?"

"At every opportunity," I said. Potter nodded gravely.

"I imagine it would be quite proper for me to do so, under the wording of the bill. And also, I understand that many implements of sport, such as boxing gloves, footballs, basketballs, and so on, are secured by a form of shoe string. Are they included, too?"

"Certainly," I said. "The bill says shoe strings. It does not specify for what purpose the shoe strings are to be used."

Potter ambled happily back to his task. I went into the Chief's office.

"Chief," I said, "Potter is in charge of the shoe-string investigation. He believes he is going to be cramped for funds."

"How is that?" he said.

"Well, preliminary study of the field indicates that shoe strings have a wide range of uses. They are used to lace boxing gloves and footballs, corsets and—and such things—as well as shoes. A lace that serves well in one use might be wholly unsuited for another. Naturally, to cover this thing well is going to take time and money."

The Chief sighed.

"Of course," he said, "I realized that I pleaded with Congress adequately to finance this research. Committee members laughed; they challenged my judgment. They reduced the appropriation. Yet they will be the first to complain if this investigation does not produce results. It is unfair. The whole system is unfair. They fetter the public servants, grudging them paltry sums to carry on the work the people demand. Then they cry aloud for results."

He straightened defiantly.

"But we will carry on," he said. "Tell Potter to go ahead with his work. We will try to get a supplementary appropriation if it is necessary."

I passed this advice on to Potter and went to work writing a speech for a cabinet member. But I wasn't through with shoe strings. In a week or so Potter was in my office again.

"I cannot remain long," he said, "be-

cause I am needed at the new building."

"What new building?"

"Hadn't you heard? We have rented a special building to be devoted to shoe-string research and will have it in operation as soon as proper equipment is installed."

"What is this equipment?"

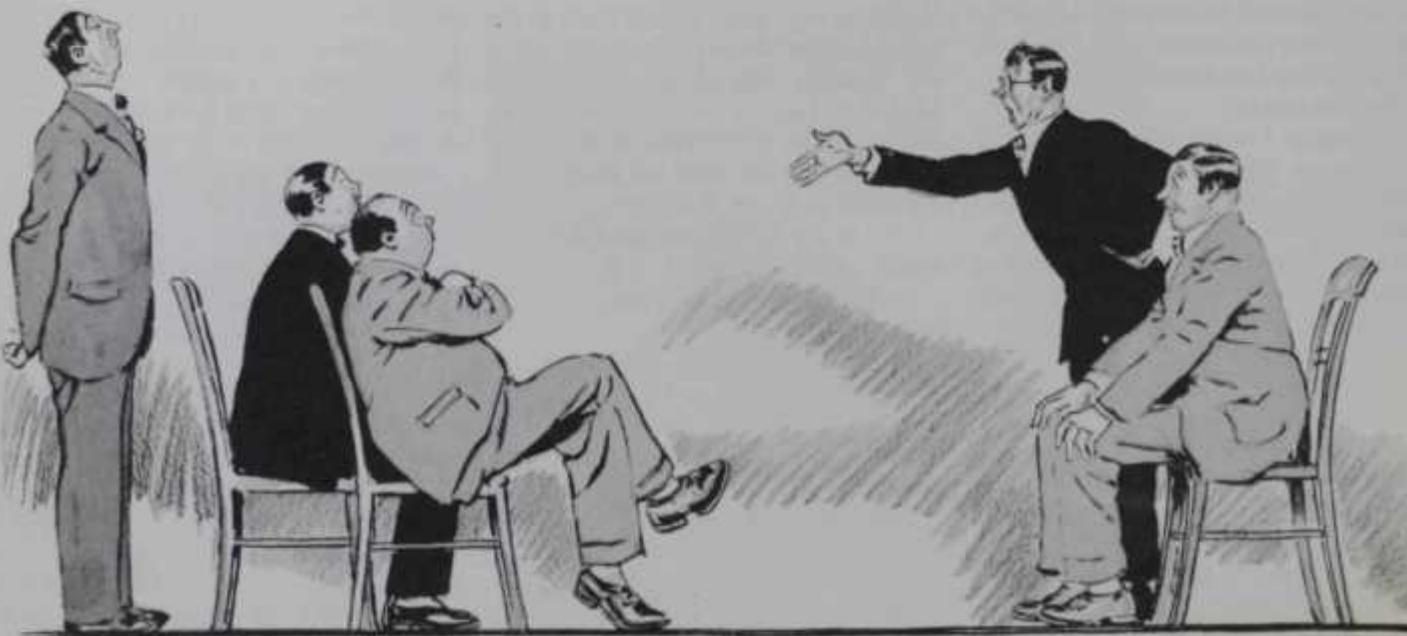
Expensive ways of testing

"NEW and special machinery mostly. You see, we soon learned that we were going at this thing backward. We took a completed shoe string and attempted to establish its term of useful life. Now we have reversed the process. We shall make our own shoe strings, testing them every step from the raw material, through the various phases of manufacture, to determine just where mistakes are being made at present. We need machinery for this work. We have also designed a machine to tie and untie completed strings, thus replacing the men we employed for this work. That machine will greatly speed up our investigations. All these things have made more room necessary. They have also delayed us somewhat but we will soon be going ahead again. What we need now is public assistance."

"In what way?"

"Well, since we are investigating shoe strings, it seems proper to study the most popular type first. I thought a questionnaire would help in this work. We need to determine if oxford or high-shoe lengths are the most used and in what colors. We would begin our investigation with the popular type of strings thus giving the majority of the

(Continued on page 107)



The senators asked questions. Potter's answers, if they didn't make sense, at least showed a wide knowledge of shoe strings. He insisted we were on the threshold of important developments

Turning Kilowatts into Votes

By MATTHEW S. SLOAN

President, the New York Edison Company



ALTHOUGH no Power Trust can exist in this country today there is danger of one in the future—a Power Trust created by those who are fighting the nonexistent Trust of the present. Government ownership could create such a Power Trust of the most expensive sort

AT THIS MOMENT, when so many men are shouting loudly for the life blood of a monster they call the Power Trust, it is time to take a careful look around and see if there really is such a monster. I have been in the electric business ever since I left school, and I have never seen a trace of the Power Trust. The reason is simple—there is no such thing as the Power Trust, at least in the field of business.

But in the field of politics—that is something else again. More monsters than you can count grow in that field. The passionate friend of the pep-pul needs them in his business. He creates them. Having nothing constructive to offer, he acts on the rule, "when you have no case, abuse your opponent," so he invents a monster, defies it, denounces it, raises a hue and cry after it. It is a great game—while it lasts.

Senator This and Governor That have an idea today that if they yell "Power Trust!" loudly enough, they will get votes. Perhaps they will, too, for a while. Big business, as it develops in one new form after another, has always been hunted as a monster; so it is always good political tactics to abuse it. Electricity has grown into a big business, so the time has arrived to pour in the hot shot of denunciation. The politicians know that the idea of getting things cheap appeals to the people, so they say, "Let the Government own and



No little group could restrict the sources and supply of power, and if it raised prices unfairly use of current would decrease

operate the electric utilities. Then there will be no profits, and prices will go down."

Professional trust-busters

WHEN the trust-busters, early in the century, were saving the country, I thought they told us all about the trusts and their evil tricks. They were combinations in restraint of trade. They got a monopoly of some line of business, restricted competition, jacked up prices and so robbed the public. The general idea was expressed by a red-hot orator

abusing the head of a railroad company—most railroads were called wicked trusts in those days. The orator said:

"Look at old——. Look at him! Do you know how he got his money? He stole \$50,000 off a poor widow and orphans. He took that money and began monoplin', and he's been monoplin' and monoplin' ever since—and look at him today!"

Sound and fury, signifying nothing.

Yet the speech went over with a wild hurrah. That sort of stuff does—until sober second thought gets hold of the

facts. Trust-busting came to an end, but the practice of doing business in larger and more efficient units went right ahead to success. It won because that kind of organization is most efficient and yields the best results to all the people. Business grows big in obedience to natural laws.

"Trusts" became friendly

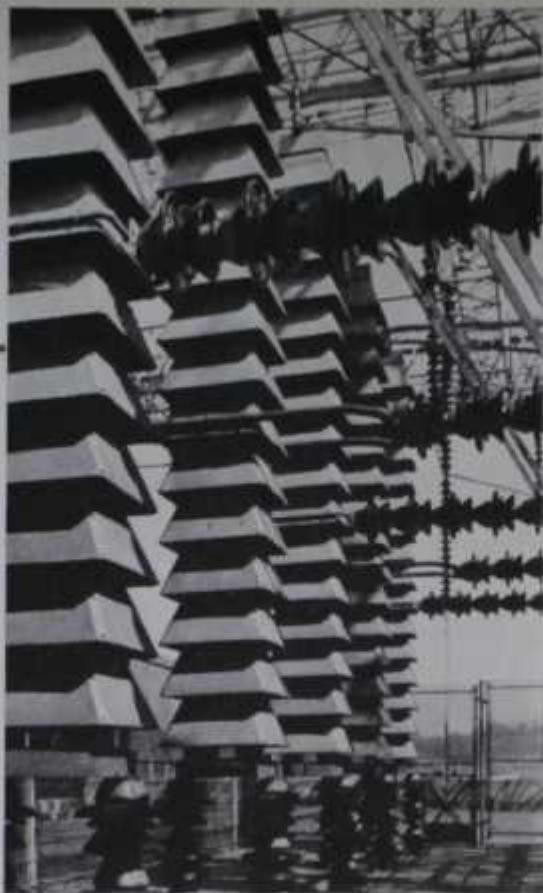
TODAY the railroads, instead of being cursed as combinations in restraint of trade, are under a mandate to consolidate, and a consolidation plan for the eastern lines has been worked out by the President of our country. The Money Trust—the terrible Plunderbund they used to scare us with—has evolved into the Federal Reserve system, a sheet anchor of business; the Oil Trust and the Steel Trusts, really bigger and more powerful than ever, linger in memory as names that once were frightful.

No calamity howler bothers to waste his breath against them now.

But pick up any newspaper today, and read about the wicked Power Trust. Heartily as he hated the devil, Martin Luther was fair enough to discourse on—"Who the devil is he?" "What the devil is he?" and "Where the devil is he?" Even the Power Trust is entitled to as much consideration as that. Let us see who, what and where it is.

There are some three thousand electric utilities in this country. Big or small, each one has, through its franchise, a monopoly of the supply of electric service in its district; yet not one of them restricts output. They can't. Electricity is not made at the generating station until there is a demand for it, so the amount produced is absolutely controlled by the consumers' needs. The price of the service is controlled by state or local regulation. Steadily, year after year, the price of electric service has been going down as operating efficiency has been improved and more people use it. Last year the average of prices for household use was cut five per cent. It is a pretty low price, too; for the average family pays something less than a dime a day for electricity.

The idea of a trust, I suppose, springs from the fact that electric utility generally has a monopoly in its franchise territory. But that is because experience



Insulators and lightning arresters on the power lines at Conowingo Dam

has proved that competing companies in any area are as economically unsound and wasteful as the old-fashioned railroad systems on which the traveler made his journey over several separate lines which charged him more and gave him poorer service than one continuous line. Besides, the service given and the rates charged by the electric monopoly are established under vigilant state regulation.

And electric utilities have to meet constant competition—from steam, oil and gas. In the cities, large office buildings, stores and hotels compete with the electric company by operating their own plants. The company must give better service, at lower cost, if it is to get the business. In some cities the company has to compete with the sub-meterer—the landlord or company which buys electricity for the entire building at the wholesale rate, and resells it to the tenants at the company's retail rate. Residences and small commercial businesses afford the only field in which the utility may be said to have no competition, and there it has notably reduced the rates.

According to the politicians, "the Power Trust is gobbling up all the utility companies, so that control of the electric power supply for the entire country is centered in a few hands."

This is not true—but if it were, what of it? That little group could not restrict the sources and supply of power, and if it raised prices unfairly it would decrease the use of current, which would lessen its profit. Although there have been many recent consolidations of electric utilities and groupings of companies for economy of operation and betterment of service, no one little group of individuals controls the country's power supply.

There are 30 or 40 large holding company groups or systems of electric utilities and large companies not distinctly allied with groups. Simmer them down as far as you can by minority stock holdings of one by another, common members of boards of directors and bank affiliations, and you will have possibly a dozen or 15 organizations with a very large output of current.

But these groups do not constitute a Power Trust. They supply a large proportion of the country's power, but they serve different territories; their managements, their rates, their policies, are different. They compete with one another for business. Pick up any national magazine and you probably will find one or more utility advertisements offering inducements for manufacturers to come into some particular company's territory. Such business must be newly created or it must move away from another territory. This competition is keen. It never stops or slackens.

A monopoly to be feared

BUT nobody loves big business, and it is good politics to kick electric utilities. Those who bid for votes by denouncing the imaginary monster they have created, favor government ownership—though not one of them offers any definite plan for operating the business in this way. Anyone who has been abroad far enough to travel on government-owned railroads or to try to talk over telephone lines operated by governments can imagine the kind of service we should get and how high the charges would climb.

President Hoover, in his message vetoing the Muscle Shoals bill, which was intended to put the Government into the power business, not only showed that it would operate at a loss, but uttered a warning:

"There are many localities where the Federal Government is justified in constructing great dams and reservoirs; where navigation, flood control, reclamation or stream regulation is of dominant importance and where they are beyond the capacity or purpose of

private or local government capital to construct. In these cases power is often a by-product and should be disposed of by contract or lease.

"But for the Federal Government deliberately to go out to build up and expand such an occasion to the major purpose of a power and manufacturing business is to break down the initiative and enterprise of the American people; it is the destruction of opportunity amongst our people; it is the negation of the ideals upon which our civilization has been based."

Befuddling the issue

THIS is the real issue smothered under the talk about wiping out the imaginary Power Trust and launching the Government into the power business. If those who are attacking the utilities would unite on that issue, campaign it in the open, with free discussion of all the facts, I believe the effect would be wholesome.

However, it would be necessary to

discover some real and valid reasons to do this thing which President Hoover describes as "the negation of the ideals upon which our civilization has been based," some vital cause for such a departure from the fundamental principle that Government shall not invade the field of private business.

But I do not expect to see anything like that. To advocate government ownership and operation of the utilities calls for more conviction and courage than most politicians possess, even if they incline toward it. Only a few go the whole way. Most of them are sniping at the Power Trust as evidence of their devotion to the cause of reform, while they try to preserve their political safety by taking no definite position.

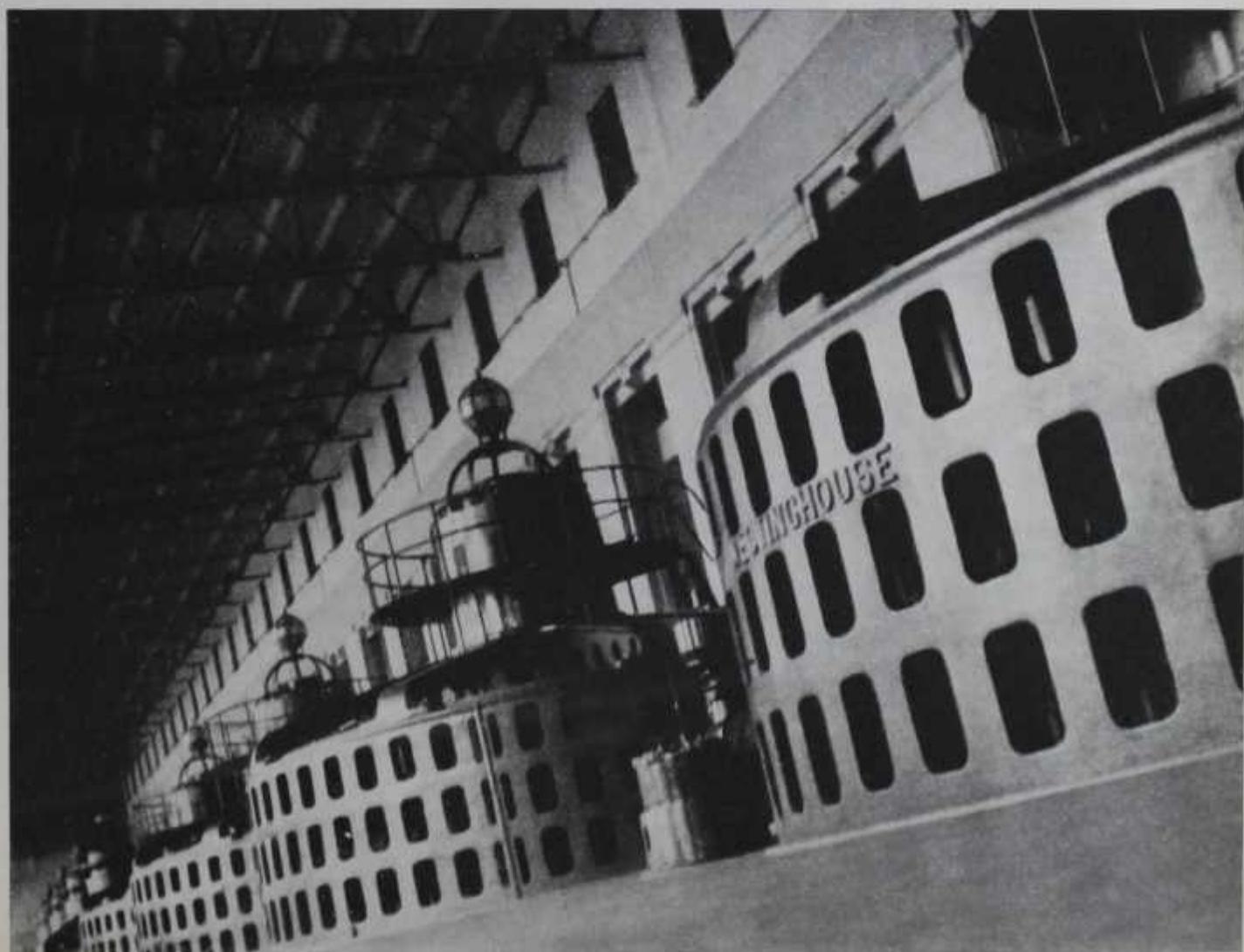
There is a sad confusion of thought in most discussion of the Power Trust and its results. Critics of electric utilities clamor for reduced rates, but it is clear, when they speak of greed, corruption and the like, that what they are really attacking is profits. The two things—prices and profits—are quite

different. Do they seek to regulate prices or are they trying to restrict profits? Are we to be led into an attempt by the Government to confiscate business and legitimate profits? It would clear the air if this issue were exactly defined.

What are the profits today? The electric utilities of this country now have an investment of more than \$11,500,000,000. Their gross revenue in 1930 was something more than two billion dollars. Their net operating revenue was about 829 million dollars, or seven per cent on the investment. This does not seem exorbitant, especially for a trust.

One of the chief criticisms of the electric industry is that it favors the business user at the expense of the residential user of current. Let us look at the facts. The electric utilities have 24,670,000 customers, of whom 20,400,000 are residential users of current. So the hundreds of millions which we are told are being wickedly extorted from customers must come from those 20 million. The receipts last year from residential sales

(Continued on page 74)



The monster generators at Muscle Shoals. In vetoing the bill that would have put the Government in the power business here, President Hoover uttered a grave warning

JOHN PAUL PENNEADER

Your Business Faces Three



We see Competition for the Dollar everywhere, between corner druggists as well as between national manufacturers

BEFORE you will buy my wares or I will buy of your stock in trade, three things are necessary.

In the first place, we each must be favorably disposed toward the idea represented by the other's goods.

In the second place, we must possess, or believe we possess, time to enjoy or profit by our purchases.

Third, we must have enough cash or credit to finance the transaction.

If any single one of these factors is lacking, it is a case of "No Sale."

For instance, I may be favorably disposed toward a correspondence school course and be perfectly able to pay for it. Yet, if I believe my days are already too well occupied with other interests and activities, I will not sign the order blank. You, on the other hand, may have time and money to become a notable collector of Americana or rare books, but, unless such a hobby appeals to you, you will never be tempted to become a collector.

These are individual portraits. Take the two of us and multiply by 50 million, and you have a picture of the national market.

Any manufacturer or retailer selling "consumer goods" to the American buying public faces these three forms of competition—Competition for Public Favor, Competition for Time, and Competition for the Dollar.

Dollars are overrated

FOR convenience' sake it is simpler to discuss them in reverse order, since Competition for the Dollar is so constantly forced on the attention of business executives that it often monopolizes their thoughts.

A manufacturer once said to me, "Marsh, I think the meanest thing I could do to my leading competitor would be to send him each morning our list of sales for the previous day. He would spend so much time fuming over the business he missed that he wouldn't get anything done."

The pungent shrewdness of that comment is self-evident.

Competition for the immediate dollar is so ubiquitous that we are all constantly conscious of it—we see its surface indications everywhere—few men in business or professional life escape its effects. We see it operating just as vigorously in the price battles of druggists on adjacent corners for our tooth-paste trade as in the more spectacular struggles between dentifrice manufacturers in the advertising pages of national magazines. Direct intercompany rivalry for specific orders is so common that it requires no further discussion here.

Serious as dollar competition can become, the other phases of competition, when they come into play, are often more drastic and far-reaching in their effects and deal blows from which recovery is sometimes impossible. Competition for Time may be illustrated in numberless ways.

It is the competition between a magazine and a book on your library table for the limited time you have to devote to either of them. It is the competition for your family's evening between the radio receiver at home and the talkie downtown. It is the com-



Competitions

By Marsh K. Powers

President, The Powers-House Company, Cleveland

DECORATIONS BY DON MILLAR

petition for your presence between your office desk and your golf course—between Europe and the resorts on this continent for your vacation weeks—the competition (if you can call it such) between a high-school senior's books of an evening and the charms of a blond-haired girl who just moved into the house across the street. In other words, the unending problem of what we shall do with our time in a world that provides so many duties and so many distractions.

Studied from the angle of its commercial effects, this time competition is strikingly far-reaching in its effects.

That the Tolliver family of Houston, Texas, is staying home tonight to listen to the radio is not, in itself, of major importance. Multiply it enough times between San Diego and Bangor, and its significance is immense and the effect is felt in Akron, Winston-Salem, and Paterson.

In the first place, because the Tolliver automobile is standing idle in the garage, it is not consuming rubber. Because the Tollivers are not at the neighborhood movie, the tobacco-fanciers in the Tolliver family can indulge their tastes for Winston-Salem's cigarettes. Because the costumes of Mrs. Tolliver and the Tolliver girls are not on public display, new dresses hang unused upstairs, postponing the day when a silk mill in Paterson will be called upon for replacement yardage.

No one has yet made it possible for a human being to be in two places at once, though the radio and television approximate the miracle. No one of us can expand our supply of time beyond 24 hours a day. Within that rigid maximum all the conflicting interests must fight for whatever share of time and attention they can argue or



The fact that the Tolliver family is listening to the radio instead of going to a movie affects many industries



NO MATTER how good your product or how well you merchandise it, you will be unable to sell it, Mr. Powers says, unless certain factors which you can't control are present:

1. The buyer must be favorably disposed toward the idea represented by your goods
2. He must have, or believe he has, time to enjoy or profit by the goods after he buys
3. He must have enough cash or credit to finance the transaction

wheedle from us. The "time market" cannot be increased except insofar as increased efficiency provides more hours for recreational interests as distinguished from vocational activities.

In all merchandise lines the manufacturer with a time-saving appeal is in step with modern American demand, whether he makes a shaving preparation of faster action, a ready-to-serve food or an automatic heating plant.

The third competition—Competition for Public Favor—injects the most dramatic factor of all into commercial and industrial operations.

It is most easily illustrated by asking you to picture the trail of results which would follow a nationwide slump in the popularity of golf.

Think of the open acreage which would come back upon the market, the ball- and club-making machinery left idle, the fewer juveniles contributing to family incomes by caddying, the effect on styles and volume of sales of sport clothes, and so on down the list—not forgetting to include the man-power-hours which would be returned to business matters.

Effects of games

IN SOME sections we have seen a similar trend in the growing popularity of games other than auction and contract bridge. In this, however, the effects are limited to the makers of game-playing equipment, as the change did not influence

property values, employment or clothes, as would be true in the case of golf.

Recreations have always been particularly susceptible to changes in public favor. Luxury items run a close second.

On the shelf beside me is a "Hand-Book of Games" published in 1856. Of the 42 games for which it supplies rules, only 16 are familiar today. Third place in prominence and 20 pages are given a game which is unknown today.

Most of us can remember when a family deemed a piano a necessary token of social status, regardless of whether any one in the family could play it. As recently as 1916 I saw a young couple deprive themselves of necessities that they might purchase a grand piano which neither could play.

The solidity with which the automobile is entrenched in public favor is graphically demonstrated by the fact that, even in the poorer sections of a city, eyes are strained to identify the make of a car of novel design.

Food manufacturers and retailers in recent years have been put through a mill in which the upper grindstone was the drive against avoirdupois and the nether grindstone the slump in incomes since the fall of 1929—one a phase of Competition for Public Favor, the other of Competition for the Dollar. Nor have they been wholly free from Competition for Time—witness the quick-lunch counter and the soda grill.

For generations makers of cosmetics suffered in the American market from taboo against rouge and lipstick. When this disfavor suddenly lifted, women so decisively demonstrated that they had both the time and the dollars required for the application of cosmetics that the industry has soared to heights which once seemed utterly impossible.

What if apartments went out of style?

AS AN exercise for the imagination (this is in no way a prophecy but the change would be no more of an upset to precedent than the accomplished change in opinion in regard to cosmetics) picture what would happen if public opinion ever turned strongly against apartment living. Think of the new values for unoccupied suburban acreage and the millions of dollars of building materials which would be needed—also of the transportation problem involved.

If you like prophecy, answer the question as to how long the general public will maintain its present interest in the "big game" spectacles of college football. Fat days of pas-

senger traffic would be lost to railroads if public favor veered.

For years associations of book publishers have been discussing ways of making book-buying and book-reading popular with the masses. Theirs is not an internal competition for the dollar. It is more nearly a perfect illustration of both Competition for Time and Competition for Public Favor, with its rivals grouped primarily in the recreational field.

Modern life makes a publishers' problem

A MAN or woman reading a book obviously cannot be at the movies, on the golf course, or dancing at a night club. On the other hand, extended reading calls for considerable leisure. The person who is devoted to any of these other interests has relatively little time to develop a reading habit; in fact, the restlessness developed by the other interests may break up a previous reading habit. It is the conditions of modern life which make the publishers' problem difficult.

Today, with the purchasing power of so many families materially impaired, the Competition for the Immediate Sale, for the Immediate Dollar, is monopolizing the attention of many executives. Even though self-preservation is the first law, these executives will do well to remember that, in any period of nation-wide mental stress, the probability of major changes in mass habits is materially increased.

What the war-period accomplished in this regard is fresh in our memories. The business situation during 1930 started new trains of thought in many minds.

Everywhere you hear the statement, "I've learned a lesson. When things come back to normal, you are going to see me handle matters in an entirely different way. There are lots of things I've learned that I don't need and there are a lot of other things you are going to see me buying."

Human memories are notoriously brief in periods of prosperity. It may be that the majority of such resolutions will go into the discard.

On the other hand, if any considerable number of men stand by their convictions, new fashions in spending will divide the consumer dollar into a pie-chart of materially altered pattern.

If so, the ramifications of the effect of the Three Competitions will take on new significances deserving of the most watchful study. In 1931 and 1932 it will be highly profitable to keep a constant finger on the public pulse.



Picture the trail of results which would follow a nation-wide slump in the popularity of golf, not forgetting the man-power-hours that would be returned to business

How Business Builds Its Platform

A political reporter watches 3,000 leaders take counsel

By ROBERT SMITH

Washington Correspondent, the Philadelphia Public Ledger



Silas H. Strawn



Julius H. Barnes

AS A Washington correspondent, I have been attending political conventions for a good many years. I have listened to the multiloquence of the medicine men in the halls of Congress and I have watched the vast outpouring of weird legislative gimcracks and gewgaws from the law-making factory on Capitol Hill.

The Atlantic City meeting of the Chamber of Commerce of the United States was the first national business gathering I have ever attended as a critical observer. It was an eye-opening experience. It enabled me to contrast for the first time the mind and methods of American business leaders trying to solve the nation's economic problems with those of our political chieftains gathered to nominate candidates and draft a platform for a presidential campaign.

I was impressed by the earnestness, the honesty, the candor and quiet efficiency of the business men. Three thousand of them had traveled hundreds—sometimes thousands—of miles from their business, giving long hours

of their time in a conscientious attempt to outline a platform for business.

But the most refreshing contrast of all, if I may be permitted to fall into the vernacular of a political reporter, was the absence of "blah" in the speeches and the discussions. To one who has listened to political hokum to the point of being nauseated, it was a delight to note the lack of breast-beating, flag-waving and cheap demagogery among the speakers. There was no pretense—as there would be at a political convention—that the assembly could concoct any magic nostrum for curing the ailments now afflicting business.

A deliberative organization

I LIKED the frankness of the retiring president, William Butterworth, when he said in his keynote speech:

This Chamber is not an organization that hastily adopts new patent cure-alls in attempting to work out improvement from economic ills. Our methods are time tested for obtaining a truly representative judgment based upon impartial, nonpartisan, honest consideration of facts, and the measure of public respect which the Cham-

ber's announced policies have won is due primarily to the fact that this Chamber is a deliberate body. Now a body that considers itself deliberate may become hidebound and knotted, but I have seen no evidence of that condition in our organization. The vitality of the Chamber impresses all who come in contact with its work. And the preservation of that vitality and the preservation of its deliberate character are a test of true business leadership.

It took a considerable amount of courage to make that statement at the very outset of the meeting. The Chamber was assembled this year under peculiarly trying circumstances. The questions before it were the most baffling in the history of the organization. The delegates knew they were standing in the white light of world-wide publicity. Their ears were filled with outside clamor that they "do something."

From Capitol Hill came taunts that business leadership was futile. Threats came from the Senate that business would have to offer a definite program for ending the depression or the Government would step in with further encroachments upon industry.

Mr. Butterworth's opening statement was an acceptance of the challenge and

a notice to all the world that business was not going to be stampeded into the adoption of half-baked measures for alleviating the situation. Throughout the convention that principle was adhered to firmly.

Julius H. Barnes, chairman of the board of directors, stated it another way:

Business judgment realizes and has faith that public intelligence will similarly realize that a depression resultant from so many complex forces, world-wide in extent, cannot yield an instant remedy to any single course of action, far less to popular legislative panaceas.

The convention ratified the advice of its leaders by adopting this resolution:

We commend and endorse the appointment of the special committee of the Chamber of Commerce of the United States for continued study of the possibilities of business and employment stabilization. This study should include means for relieving such unemployment distress as may unavoidably occur from time to time, including a rational program of production and distribution to be initiated by business itself.

The plain honesty and lack of bombast in that declaration appealed to me. Business had no formula it could sincerely recommend to the country for curing unemployment so it refrained from putting forth something in which its leaders did not believe merely for the purpose of winning temporary political favor. The Chamber, as I understand it, recognizes that there is little that can be done at this stage and takes the position that the only practical thing to do is to conduct an intensive study of the depression and its causes with a view to working out measures for forestalling or lessening another depression.

Contrast the politicians

IN THE same great auditorium where the Chamber held its general sessions, it is possible that one of the two national political conventions will meet next year to nominate a candidate for the Presidency and to frame a platform dealing with the issues of the hour. It is not unlikely that this same question of unemployment and business stabilization will occupy a conspicuous position among the subjects clamoring for the convention's attention.

Without much difficulty, I think I can picture what will happen. Out of the smoke-filled meeting room of the platform committee, after hours of bickering, trading and impassioned oratory, something like this will emerge:

Unemployment is almost as destructive to the happiness, comfort and well-being of the people as war. It threatens the well-being of millions of our people and end-

dangers the prosperity of our nation. We deplore unemployment and we pledge all the resources and energy of the party to its alleviation. We solemnly promise the American people to put every idle wage earner back to work within 60 days after the election.

That would go well on the political stump and it probably would get votes but so far as its practical value in relieving unemployment is concerned it will be sheer buncombe.

I do not wish to convey the idea for a moment, however, that there was no serious discussion of the unemployment question at the convention. There was an abundance of it. Perhaps the most comprehensive discussion of the subject took place at a round-table conference attended by 150 industrial executives and economists.

Stabilization plans suggested

SOME of the speakers were optimistic over the possibilities of stabilization plans which they advocated. It was brought out, however, that less than ten per cent of the industrial corporations of the country had been able to work out successful plans for maintaining continuous employment for their working forces.

P. W. Litchfield, president of the Goodyear Tire and Rubber Company, was in the chair at the conference. Mr. Litchfield contended that the immediate problem confronting employers is the distribution of available employment among all wage earners able to work and looking for a job.

Lists of names are dull things but it is worth while to put down some of those who took part in the discussion since it is a picture of the type of men who have a seat in this congress of business.

They included:

L. C. Reynolds, of the American Writing Paper Company, Holyoke, Mass.; M. B. Folsom, of the Eastman Kodak Company; Morris E. Leeds, president of Leeds and Northrup Company, Philadelphia; John F. Tinsley, vice president and general manager, of the Compton and Knowles Loom Works, Worcester, Mass.; Joseph H. Willits, professor of Industry, University of Pennsylvania; Stuart Cramer, Cramerton, N. C.; E. A. Filene, Boston, and A. C. Tozzer, executive vice president of the Turner Construction Company.

All in all, it impressed me as a sincere and highly intelligent effort to pave the way for a practical approach to the unemployment evil, and the fact that no final solution was reached did not in

any way detract from the value of the conference.

Political conventions, I have observed, are concerned primarily with personalities. Ninety-five per cent of the conversation, I should estimate, is about the candidates. Who will win the presidential nomination, and if so and so gets it, who will be put up for vice president to balance the ticket—these are the all absorbing topics. The delegates think almost exclusively in terms of vote-getting. Ordinarily the platform is purely incidental. In the end the candidate personifies the issue and the platform is forgotten as soon as it is written. Most of the delegates go home without ever reading the platform they adopt.

Quite the contrary, I find, is true at a National Chamber of Commerce convention. The delegates there are interested first of all in the formulation of policies. They are hard at work from early morn till late at night, exchanging ideas and information and trying to shape them into a program for improving the general business welfare. I found the delegates national-minded, giving no thought to how many votes this plank might catch in Kansas or how many that plank might snare in Indiana. You hear very little concerning the election of officers.

Campaigning went on so quietly that I had almost forgotten an election was to be held when I learned of the selection of Silas H. Strawn, of Chicago, as president, and the election of Mr. Barnes as chairman of the board. And if there was any ill feeling over the election, as there always is at a political convention, it certainly was well concealed.

No speech delivered at the convention attracted more attention from the general public perhaps than that of Mr. Barnes at the annual dinner closing the convention. Mr. Barnes obviously was tired of the bullying of business by politicians. He spoke his mind rather plainly. He warned against the danger "that emotionalism, which will not study and analyze the vast influences at play, may resort under shortsighted leadership to the paralyzing injection of government into the free play of unfettered effort."

Business dislikes panaceas

"BUSINESS men," said Mr. Barnes, "are in a measure handicapped in a time of reckless appeal to public emotion. Their enforced respect for truthful facts, their habit of accuracy and restraint of statement, their practical recognition of the value of differing judgments and opinions—these qualities bar them from

flamboyant appeals to street-corner groups."

There was a warlike note in his voice, I thought, when he added:

"Business intends that the responsibility for shrinking employment, for suspended earnings, for problems and distress entering so many homes, shall be laid at the door of those who thoughtlessly or recklessly lend themselves to destructive panaceas."

Danger in public ownership

AMONG the delegates I heard a great deal of favorable comment on the speech delivered by Fred W. Sargent, president of the Chicago and Northwestern Railroad, at the general session of the Chamber on Thursday, over which Col. William M. Wiley, of Sharples, W. Va., presided. Mr. Sargent's theme was the danger that lies in the expansion of government, especially in economic fields, in competition with private enterprise. He traced the gradual breakdown of constitutional restrictions and the thrusting of government into all sorts of business ventures. He added:

If the Government can manufacture and distribute electrical energy, as some in Congress ardently want us to, then it can mine and transport energy in the form of

coal and sell it in competition with the corner coal yard.

Nationalization of the power industry would be merely a first step towards the nationalization of all industry. If under the pretext of regulating commerce, the Government can use the taxpayers' money to fix a minimum price for agricultural products, then certainly it can fix maximum prices for the same products, if the emergency ever arises, in order to alleviate urban distress. If Congress can use the taxpayers' money to manufacture fertilizer, then certainly it can manufacture farm machinery.

If it really does have the power to do these things, then the theory of delegated and limited powers upon which the United States became a union is completely washed out. The door is thrown open to complete nationalization. Why stop at farm machinery? To aid in making implements, why not own and operate iron mines, steel mills, sawmills—why stop anywhere? And all under the pretext of helping agriculture as a means of regulating interstate commerce.

It was plain that Mr. Sargent's address struck a popular chord with the delegates. When he finished speaking, the entire assembly stood up and cheered him.

If there is any criticism to be made of the Chamber's meetings from a newspaper man's point of view, in my opinion it lies in the effort to undertake too much. It tries to give its attention

to a vast multiplicity of national and international issues, all of them with widespread ramifications. Stabilization of employment, government competition, federal finance, state revenue systems, new fields for insurance, over-production in the natural resources industries, competitive conditions in transportation, banking, consumer credit, agricultural relief, the merchant marine, the part played by the retailer in the present industrial system, trade association development—these are only a few of the problems discussed.

Avalanche of news

THE newspaper reporters covering the convention were actually bewildered by the avalanche of news. Instead of one story to write about they found at least a dozen. The volume of news out of the convention was so enormous that the newspapers were unable to publish more than a few of the high spots. Because of this, much valuable work done by the Chamber's annual meeting goes virtually unnoticed.

Only by attending an annual meeting of the Chamber in person can one get an adequate picture of the range of its deliberations.

Business Goes on Record

The resolutions adopted by the Nineteenth Annual Meeting of the Chamber of Commerce of the United States

WE commend and endorse the appointment of the special committee of the Chamber of Commerce of the United States for continued study of the possibilities of business and employment stabilization. This study should include means for relieving such unemployment distress as may unavoidably occur from time to time, including a rational program of production and distribution to be initiated by business itself.

Government Competition

THE Chamber of Commerce of the United States has repeatedly opposed

the Government engaging in any and all forms of business enterprise in competi-

tion with its citizens. We believe the time has now come for the directors and officers of the Chamber to enlist its membership in a survey of the forms and extent of government competition in the fields of business enterprise and to lead the business interests of the country and their organizations in a continuous and aggressive effort to have the Government withdraw from existing competition as soon as necessary preparation and adjustment can be made, and against the Government entering upon further competition in any field.

Federal Trade Commission

TRADE PRACTICE CONFERENCE: American business has achieved noteworthy progress in its efforts to im-

prove the standards of business conduct concerning the relations between competitors and with the public. In carrying out this program, business has in the past received substantial aid and encouragement from the Federal Trade Commission. Reaffirming its belief in the value and importance of real cooperative action between trade and industry and the Federal Trade Commission in bringing about the adoption of better business standards and the voluntary renunciation of unsound competitive practices, the Chamber endorses the principle of the trade practice conference as a useful and proper means of cooperation, which may be expected to promote better standards of business and the elimination of wasteful practices and trade abuses in many

fields of industry and of commerce.

LEGISLATION FOR CONFERENCE: In order to define and thereby make certain the proper basis of cooperation between business and the Federal Trade Commission for the promotion of better business standards and for the prevention of unsound competitive practices, the Chamber urges upon Congress the enactment of suitable legislation authorizing the Federal Trade Commission to receive, approve, and enforce, under judicial review, agreements on the part of business men seeking to eliminate wasteful practices and trade abuses arising in the course of their competitive relations, provided such agreements do not tend unreasonably to restrain trade or to create monopoly.

COMMON POLICY WITH DEPARTMENT OF JUSTICE: In the field of the federal antitrust laws it is not unusual that business operations and agreements come simultaneously within the scrutiny of both the Department of Justice and the Federal Trade Commission. The importance to business of a common policy, continuity of such policy and removal of uncertainty with respect to such action of and by the Department of Justice and Federal Trade Commission cannot be overestimated. The Chamber therefore urges upon those two departments the advisability of developing and continuing a procedure that will insure closer cooperation directed toward more uniform administration of law by both agencies.

Antitrust Laws

DISCUSSION of antitrust laws in their applications to the different fields of production and distribution has had an important place in this Annual Meeting. There have been addresses by men who have such wide experience with the problems in this field, and who have devoted such long study to these problems, that their suggestions should be very carefully weighed. We accordingly believe it is most appropriate and timely for the Board of Directors to give consideration to the various proposals which have been made in the course of this Annual Meeting for the purpose of determining whether or not the Board should now provide for a representative committee, or committees, to give thorough study to the application of present laws to business generally as well as their application to particular fields of enterprise, such as the natural resource industries, and submit the results of their studies and their rec-

ommendations for action by the Chamber through its referendum procedure.

Governmental Expenditures

WHILE private enterprise has been going through a period of deflation which has resulted in reduced ability of such enterprise to contribute to governmental costs, government has gone through no such deflation.

On the contrary, expenditures of all branches of government—federal, state, and local—are continuing to increase notwithstanding the curtailment in the ability of the country to pay taxes. Increases in the total of taxation, and even the maintenance of the total at its present level, will adversely affect the return of normal business activity.

We urge that substantial and immediate retrenchment be effected in the total of governmental expenditures, that greater efficiency be obtained in the use of public revenues through modern budgetary methods and accounting systems, that all proposals for additional public expenditures be tested rigorously as to their urgent necessity, and that governmental projects of a relief nature and those designed to speed general business revival be examined as to the feasibility of their early accomplishment.

Burdens of Taxation

THE mounting volume of federal, state, and local taxation is rapidly becoming a serious burden to most of our major industries and falls ultimately upon the average citizen, finding reflection in the cost of practically all of the necessities of life. A study of the final impact of taxation on the cost of living, indicating what proportion taxes represent of the amounts spent by the average citizen for food, clothing, and shelter would appear to be the most effective means of emphasizing the results of increasing governmental expenditures of all sorts. We accordingly ask that the appropriate committee of the Chamber undertake a study of the final effect of taxation on the cost of living, and that the results of such studies be placed before the membership and the public.

Federal Revenue Policies

IN VIEW of current business conditions this is peculiarly an inopportune time for any increase in the rates of federal taxes. Such financial problems as may confront the Federal Government should be met in other ways. For the relief of taxpayers the present policy of the Treasury in apply-

ing interest payments received from foreign governments toward meeting our own Government's interest obligations, rather than to debt reduction, is to be commended. At the same time, the existing statutory provisions for orderly retirement of the public debt should be continued.

International Double Taxation

OUR Government should give serious and continued attention to relief from burdens imposed by international double taxation, and to that end should be represented at international conferences upon that subject and enact such general legislation based upon the principle of reciprocity as will advance the solution of this problem, including provisions which will permit of executive agreements with foreign countries when they will best effectuate the desired purpose and of the formulation of fair and uniform rules for the apportionment of income earned partly in different countries.

Reciprocal measures should be sought providing for exemption from income taxation of nonresidents of the respective countries, including corporations foreign thereto, except as to income derived from business permanently established, services performed, and real property located therein. The income of nonresident individuals or of foreign corporations consisting exclusively of earnings from the operation of airplanes should have complete exemption.

Nothing in the proposed reciprocal exemption legislation should affect the present statutes and regulations governing allowances for credit against federal taxation for taxes paid abroad.

Sales Tax

THERE has been a recent development in state taxes, or in taxes under consideration for adoption by the states, to which we desire to call attention. This development has been in taxes upon the sale of general merchandise at retail. We oppose such taxes as undesirable from the point of view of administration, as unfair in both their direct and indirect effects upon business enterprises, and as contrary to the interests of the public in sound principles of taxation.

Capital Gains Tax

THE present levy on capital gains, under the federal income tax, has a restrictive effect on business activity and interferes with the normal flow of

(Continued on page 152)

No Business Can Escape Change

THREE homes, in the East, Middlewest and South, will be cooled by gas this season under practical test conditions. The American Gas Association is conducting the tests. . . .

IN England the somber livery of the telephone instrument is giving way to gay colors—green, bronze, silver, ivory and mottled effects. . . .

GLASS-walled phone booths in Berlin expose phoners to view, tend to cut calls shorter. . . .

A NEW vending machine supplies a bottle of cold milk for a dime; returns you a nickel when you return the bottle. . . .

NEW USES for photo-cells and similar devices include sorting of almonds by size, reversing of ten-ton steel ingots by their own shadows, and inspection of collapsible metal tubes for toilet creams for air-holes. . . .

A DEVICE recently perfected measures and maintains temperatures as low as 274 degrees Fahrenheit with an accuracy hitherto unobtainable. . . .

A BRITISH auto manufacturer sells his car at \$825, makes a contract with the purchaser under which the latter pays five cents for every mile up to 15,000 the car runs in a year. The manufacturer pays taxes, insurance, buys gasoline, oil, tires, repairs up to \$125 and gives a 50 per cent rebate of any unexpended balance. At 15,000 miles the old car is replaced by a new one free of charge. . . .

A NEW electric welding unit will weld tubing up to one



KEystone View, N.Y.

Even the front door of the Worcester Pressed Steel Company's new home is steel framed. The building is said to be unique in this country

OPPORTUNITY sometimes comes thundering at the door, but more often must be persistently sought. New things and new methods in the world's market places mean new opportunities for those who read their significance aright, who shape their paths to conform with the trends which these developments indicate

STORE-DOOR deliveries are to be inaugurated by two western railroads, following the lead of 11 southwestern roads which announced such a service in March. . . .

COORDINATED rail, motor-truck and steamer transport has been initiated by the Pennsylvania Railroad between Baltimore and Salisbury, Md. . . .

COMMERCIAL radiograms are now accepted on planes flying the Berlin-Dresden-Prague-Vienna route. All planes on the route carry the message blanks; the rate is one mark (23.82 cents in American money) a word. . . .

—PAUL H. HAYWARD

fourth inch in wall thickness at a speed of approximately 80 feet per minute. . . .

TRADE-MARKED coal is being marketed. Lumps of coal, passing on conveyors, trip spray guns and receive a stripe of paint. Fifty gallons of paint trade-marks 3,744 tons of coal. . . .

A NEW automatic advertising device for installation in taxicabs displays, in sequence, illuminated advertisements measuring three by six and one half inches. . . .

A HOISIERY company has adopted the trade-in plan. Ten cents is allowed for an old pair of stockings on a pair of \$1 to \$1.50 hose and 15 cents on a \$1.65 to \$1.95 pair. The trade-ins are distributed through local relief organizations. . . .

A FREE-wheeling appliance for Fords has been placed on the market by a large mail-order house. . . .

Labor



Today many personnel men are equally at home in the directors' room or in the rolling mill. They can talk the language of natives in either place

PERSONNEL administration, ten years ago an orphan on the doorstep of industrial management, has been taken into the family.

The adoption papers were signed in the darkest days of the passing business depression, when at last everybody realized that the foster child was a vitally useful member of the managerial household.

Things were different in 1921. In the depression of that year industrial relations activities, while not actually abandoned in the stronger and more forward-looking companies, were pruned mercilessly and in some concerns they were scrapped altogether. Efficiency experts—remember that title?—and probbers of factory costs often found special satisfaction in manhandling industrial relations programs and lopping off personnel departments. Sometimes foremen and superintendents stood by with ill-concealed glee as the "uplifters" walked the plank. Many observers thought modern methods of labor administration had received a death blow. Some of them didn't much care.

The depression which began in 1929 has been comparable in severity with that of a decade ago.

Again, as in the earlier period, personnel management has been one of the industrial functions brought under

scrutiny when costs had to be reduced. How has it stood the test?

As this article is written, the effect of a year and a half of business depression upon personnel management may be summed up about like this:

1. There has been no general abandonment of industrial relations activities. Some companies even expanded these activities during 1930.

2. There has been no abnormal unemployment of industrial relations directors and their associates. Probably they have been at least as successful in holding their jobs as have other managerial and staff employees.

3. There is evidence that ranking executives are taking more interest and participating more actively in labor administration than ever before.

4. There has been some shifting of emphasis in industrial relations work to meet new conditions.

Labor management just grew

THERE should be reasons for so impressive a contrast in conditions in two similar economic periods separated by less than ten years.

There are reasons. To discover them, we need to recall what was happening in labor management during and immediately after the World War.

Modern industrial relations work may be said to have originated—if such a term may be used to denote a gradual evolution—in the first dozen or 15 years of the century. It was the outgrowth of three movements, at first mutually independent—employment management, industrial education, and the variety of service activities then known as welfare work. These became merged and fused when large-scale industry and its accompanying labor problems made it increasingly evident that some organized direction of the complicated relationships between employers and employees was needed.

War conditions and the requirements of intense production with depleted man power gave a strong impetus to the personnel movement. Employers, often with better intentions than understanding, picked up and discarded labor policies for all sorts of reasons or for none at all. Industrial relations became a fad.

To administer the labor policies a new vocation—that of personnel management—was suddenly inflated from its former modest proportions and took its place in the official ranks. Into this vocation came a host of men drawn from all kinds of previous work and with all kinds of backgrounds and qualifications—or lack of them.

Many of these pioneers were sincere and capable. Often they entered upon their tasks with the spirit of missionaries. Sometimes missionary work was needed; make no mistake about that. Along with the capable men came many others who had only smatterings of knowledge about either industry or labor and who thought that good intentions and foggy aspirations to help their fellow men were qualifications enough. Further down in the scale were still others who simply wanted easy jobs.

Management in Depression

By Edward S. Cowdrick

Author of "Manpower in Industry"

ILLUSTRATIONS BY LOUIS DANIEL



IN THE depression of 1921 many concerns ceased industrial relations activities to cut costs. In the depression of 1929 many companies found these activities most useful. Mr. Cowdrick tells you why

These freshly professionalized practitioners were hired by business executives who seldom had much matured philosophy of labor administration. Realization of the need for close cooperation and sympathy between industrial relations men and operating officials came slowly.

Unsound organization

IN SOME companies the personnel department was set up as a separate organization, independent of and coordinate with the departments of sales, finance and production. Line executives

sometimes fell in gracefully with this arrangement. More often, however, they either opposed and thwarted the efforts of the industrial relations men, or they washed their hands of labor management and let the uplifters go it alone.

In the meantime war and post-war profits were high, costs were scanned tolerantly, and top-heavy overhead expenses were taken somewhat as a matter of course. Labor departments in some companies were expanded out of all proportion to the value of any services they could possibly render.

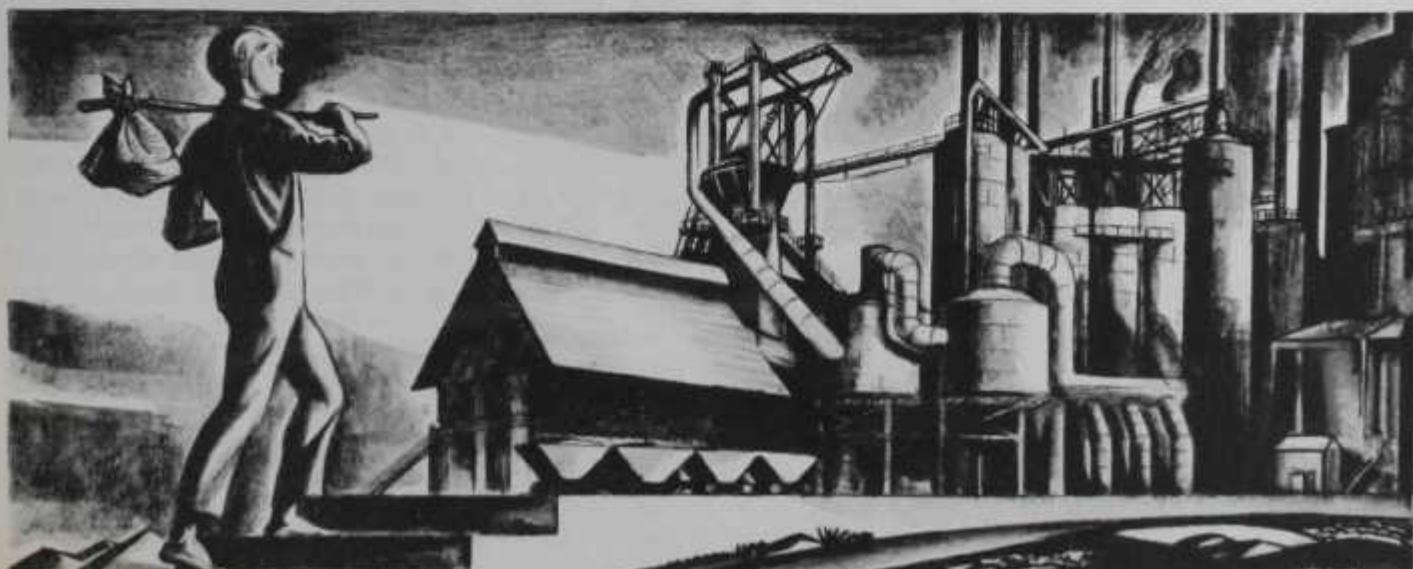
Probably what was unsound in labor administration would have righted itself

in time. But it didn't have time. The new economic era of 1920, like that of 1929, ended in a tailspin, and in the deflation of 1921 nothing in the average industrial company suffered more than the personnel department.

But the purposes back of modern industrial relations were too valuable and too fundamentally sound to be given up. Enlightened employers kept at least the skeletons of their personnel organizations throughout the depression and, with the return of prosperity, labor administration again came to the front as an important factor in management.

Rebuilt on a better basis

THIS time, however, it was built on more substantial foundations. Paternalism was abandoned, welfare work was discarded or limited to activities for which there was genuine need, and relations between workers and employers were adjusted by methods which took



Personnel administration, once an orphan on the doorstep of industrial management, today has been taken into the family. The adoption papers were signed in the darkest days of depression.

pains to preserve the self-respect of each. Labor managers—those who stayed in the profession or returned to it—had become wiser with experience and adversity. They had learned many things about industry and human nature. Moreover, they had become better adjusted to the conditions under which they worked. Today many a personnel man is equally at home in the directors' room and in the rolling mill, and in each place he can talk the language of the natives.

He wins the respect of workers of all grades, from shoveler to president, partly because he understands their problems. He is likely to know as much about the intimate details of his company's business as does the general manager. While the personnel man of this caliber has not given up the crusading spirit, he has grown to realize that humanitarian ideals are to be gained most surely and most safely by methods which rest upon sound principles of economics and psychology and which conserve the interests not only of labor but of capital and the public as well.

A staff position

PERHAPS even more important than this maturing of the experience and the qualifications of industrial relations men was a profound change that took place in the theory upon which their work was organized. The notion that labor management was the responsibility of a separate department, with executive functions comparable to those of the departments responsible for production, sales and finance, was gradually abandoned, and the personnel director took his place among the staff helpers of the line organization.

Such executive duties as he retained were mainly of a specialized nature. Instead of supplanting the superintendents and foremen in directing the working forces, he became an expert counsellor in labor policies. These policies, when once adopted, were carried out mainly by the executives of the departments affected. From being a critic of management the personnel man became its ally. He lost some of the authority he used to think he had, but the loss was more than made up in enhanced prestige and influence.

It was inevitable that these changes should bring about a better understand-

ing between personnel men and line officials. To be sure, it did not come all at once. Prejudices of foremen and superintendents, surviving from the days when they had been largely ignored in determining the labor policies of many companies, died hard. Some of them are not dead even yet. But little by little the sounder philosophy of labor management, and the broader experience and more sympathetic attitudes of industrial relations specialists, won recognition and respect. Today there are few large companies, if any, in which feuds blaze between foremen and personnel departments. There may be occasional sniping here and there, but even these signs of hostility are fast dying out.

Along with the changes in industrial relations work came an altered viewpoint from which its benefits were evaluated both by personnel men and by production executives. While the ideals of preventing injustice and bettering the conditions of the workingman were not given up, people in industry began to

live with no thought of monetary return, and that the results of some others are not measurable in dollars and cents. Nevertheless, the belief is growing that enlightened labor policies, administered with fairness and good sense, will bring practical and tangible benefits in contentment and morale, in loyalty and good will, in efficiency and economy, and in a general upgrading of the working force. A successful personnel organization is expected to attain these results, and at a cost not out of proportion to the value of the benefits. The success of personnel administration, it is recognized, is tied in with that of the company in which it functions.

Personnel work proved valuable

ALL these changes in the qualifications and attitudes of industrial relations directors, in theories about personnel work and about its place in the business organization, and in the viewpoints from which the results of labor policies were measured, bore fruit when industrial depression in 1930 compelled every function in a business organization to justify its existence. This time personnel administration was not a frill. Employers, wrestling with new and urgent labor problems, found themselves leaning heavily upon personnel directors for aid and expert counsel. Many a company found its industrial relations service more useful than ever before.

Among the most perplexing problems which, during the depression, called for the best efforts of industrial management and personnel administration were those incidental to the growing conception of a permanent employment relationship. For several years before 1930, a profound change had been in progress in the minds of employers, employees and the public. The trend toward independence and irresponsibility which had prevailed in the United States and most other industrial countries throughout the nineteenth century had been reversed. As a result, a man who has worked for one employer for ten or 15 years, even though he does not actually gain a vested right to job security, at least builds up a presumption that he will continue service in the same company.

The actual and prospective consequences of this change of attitude scarcely can be overestimated. With most of these consequences we are not here concerned. It is sufficient to point out that in the depression of 1930, more than in any similar period in American history, employers shouldered responsi-

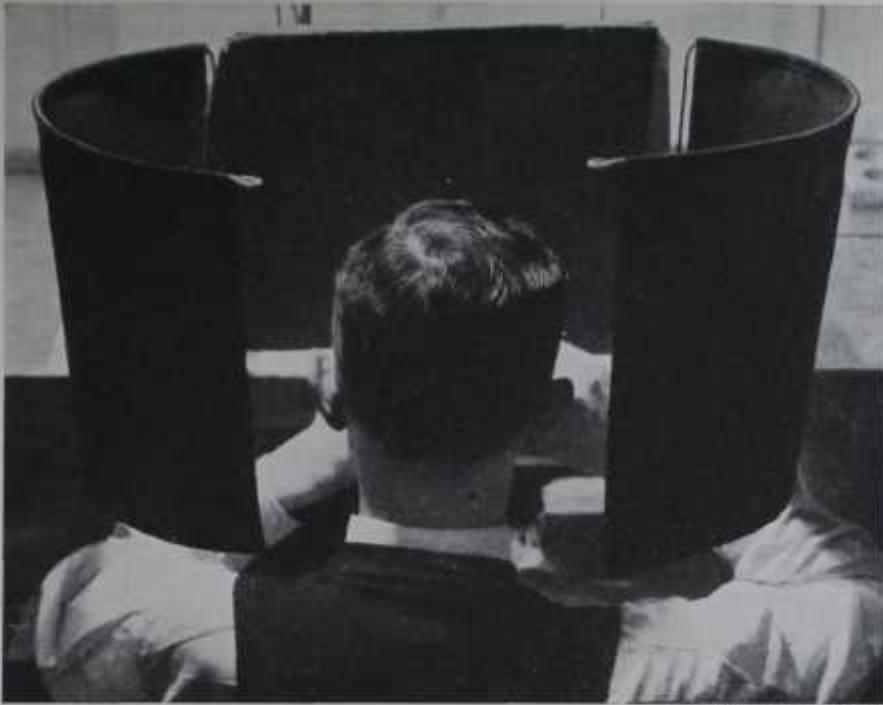
(Continued on page 138)



Personnel men will face heavier responsibilities in the future

believe that the attainment of these ideals ought to be perceptible in the success of the business. In other words, good labor conditions ought to pay.

Now it is true that some personnel activities are, and perhaps always will be, inspired by purely humanitarian mo-



ALL PHOTOGRAPHS BY HOMECOLOR

Men fold black wings around their heads to help them concentrate

1,100 Workers Pursue Accuracy

By HERBERT COREY

DOPEY old men, our ancestors. Full of admirable sentiments, no doubt and fools for chivalry, but slow. When Richard the Lionheart made a business appointment with Sir Cauliflower he probably said:

"Meet me somewhere near Jerusalem along toward fall."

They were not geared for speed and accuracy. Time was just daytime and nighttime. The young lover who wanted to see his girl at the post office had never heard of three o'clock. He talked of the shadow of yon majestic pine. Of course they invented the calendar and the sundial and other measuring devices. Some one had to. But centuries passed before they were sufficiently interested or ingenious to produce the clock with its geared wheels to mark the passage of the hours. More centuries moved before the watch came to put a meter on the minutes.

Not until thirty-seven years ago did the world discover the importance of the second.

Absurd?

Where seconds are important

THEN listen to Charles F. Miller, president of the Hamilton Watch Company. That type of watch is of unbelievable precision. Inspectors test it monthly for the railroads. Between times, travelling inspectors call on conductors and engineers. Their watches are permitted a total variation of 30 seconds a week and no more. Let us compute a bit.

A watch ticks five times to the second. There are 604,800

★ **ENTHUSIASM** is one of the things that makes American business great, we told Mr. Corey one day. He agreed with us and set out to find some examples. His first adventure is reported here — a visit to a plant where men and women hunt split seconds with the zeal of sportsmen hunting big game

seconds in the week or 3,024,000 ticks. If a watch is 151 ticks out of the way it goes to the shop. The permitted inaccuracy is one part of 20,000. Thirty-seven years ago a railroad wreck took place in which many people were killed.

"It was then that the railroads began to insist on accuracy in time keeping," said Mr. Miller.

That decision marked the boundary line between the leisurely old times and the new. The second had only been a subdivision of the minute. Now it assumed an individuality of its own and had its own subdivisions.

The world became a better place in which to live precisely as it learned to measure time. No matter whether time was measured because it was valuable or became valuable because it was measured.

Not long ago I went through the factory of the Hamilton



Back of methods there is always a man. At the Hamilton Company the man is President Charles F. Miller

Watch Company at Lancaster, Pa. That sort of a day is sometimes boring. The visitor walks among machines and presently the spectacle ceases to hold his attention. This might have been my case at the watch factory but for one thing. I became absorbed in the passion with which 1,100 men and women were pursuing accuracy. For accuracy is the most elusive thing in the world.

A matter of accuracy

TIME and Accuracy are teamed.

For a dime you can buy a yardstick and any hardware clerk will tell you it is absolutely accurate. But at the Bureau of Standards a yardstick may be had at an incredible cost—thousands of dollars, perhaps—and if you ask the scientist who makes the yardstick if it is accurate he will say:

"Oh, no. Not by some millionths of an inch."

Even a foot rule accurate within one twenty-thousandth part will cost as much as a watch. A radio condenser may be had for a quarter almost anywhere. A good condenser, too. But if you want a condenser that is accurate in the thousandths you will pay \$100. The raw material did not cost seven cents more, perhaps. A micrometer which measures to the thousandth



In assembling, each individual part must fit its fellows



The vibrating tool tests the balance wheel and hair spring

part of an inch costs six dollars and one that is accurate to the ten-thousandth part is worth \$65. A ten cent thermometer will give the temperature. One that will give the temperature accurately will cost \$40.

There are no absolutely accurate watches because there are no absolutely accurate watch carriers. In the Hamilton factory watches are tested for six weeks in five positions and in heat and cold. A watch that is perfect in the testing room will wobble a bit when John Smith swings it by the tail as he addresses the Sunday school. The watch might be adjusted to John Smith but no one can adjust John. He never stays put:

"We can only do our best to meet John Smith's

demands," said the watchmakers.

The raw steel and brass which go into a watch cost about 40 cents. When the watch is completed it may be worth \$100 and be accurate to 30 seconds a week in a railroad cab. The same 40 cents' worth of brass and steel is rendered accurate to 15 seconds a week. Then it is valued at \$685. If it could be made accurate to eleven seconds a week for John Smith it might cost him \$3,000. Perhaps more. Yet that \$100 watch would run truly if John would behave.

We began with the drafting

room. Men bowed over plans for new watches. Hoping to make today's watch a trifle better tomorrow. Heretofore the trouble has been that as a watch is improved it becomes more delicate. Some day the plans for the almost perfect watch will be drawn, no doubt, and then Mr. Smith can safely drop it and shake it just as a machine did with a rackful of watches—jiggle, jiggle, shake, shake, slap, slap, hour after hour.

"After a few days we will find out if anything has gone wrong with any of them. Then we will learn why nothing has gone wrong with the others. Simple."

Rugged watches

S I M P L E ! But that shake and shiver rack helped explain why the Hamilton factory has been able to build into a watch that John Smith carries in his pocket and misuses with his characteristic carelessness that one in 20,000 parts accuracy that the Bureau of Standards no more than matches in a foot rule. That is, it helped explain the methods. But back of methods there is a man, always. Great businesses do not just grow. Somewhere in the direction is the man who makes them grow.

In the Hamilton

Watch Company the man is President Charles F. Miller.

No bouquets are being thrown by me. I am only repeating what the men under him say. They could have told me safely that they did not like him. I would not turn state's evidence. They need only have remained silent. What they said was something like this:

"The team pulls together because of him."

Something unusual in that circumstance. If I see the picture rightly watchmaking is something more than a trade. It is a profession. Maybe it is an art. Some men would never

succeed at it. A watchmaker must have a passion for precision and delicacy and an unfathomable patience and a stern will.

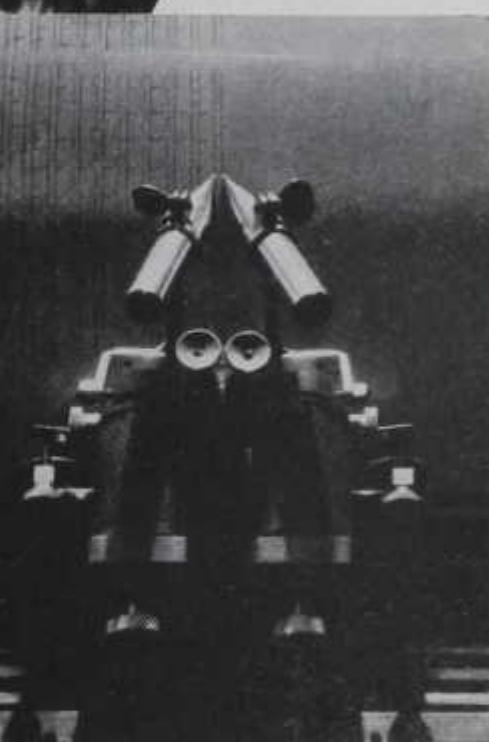
Every watch turned out by the Hamilton factory is an individuality. Watches are not merely assembled. Watchmakers do not simply join together so many screws and wheels and springs and say "this is a watch." It is true that the parts of all watches of a given class are identical but—somehow—they are different. A wire runs



Magnified vision assists the jewel inspector in detecting flaws



Finished watches are kept for five days in various positions and checked for accuracy before they are allowed to leave the factory



The chronograph checks the Hamilton precision clock with Naval Observatory time and records its findings

through a machine and a cascade of finished screws tinkle out at the farther end. Each screw is about the thickness of a fly's leg. Four thousand sapphire and ruby jewels just about fill the bowl of a coffee spoon. When any part is passed as fit for inclusion in a watch it is precisely what its predecessors and followers have and will be so far as hu-

man methods can determine. But jewels and wheels and springs must be tested and retested before they are accepted as true to their microscopic standards. The watch, when assembled, is then subjected to further tests and adjustments over many weeks. No doubt a watch could be assembled in an hour and it would run pretty well. But it takes from nine to 14 months to build a Hamilton.

From soapmaking to watchmaking

THAT is why a watchmaker must have something of a passion for his work.

Mr. Miller has that passion. Yet he did not begin as a watchmaker. When he was about 17 he was compelled to step into his father's place as the head of a small soap factory in Lancaster. There is nothing more distant from watchmaking than soapmaking. So far as I have been informed he paid not the least attention to watchmaking. He kept on making soap until he was 45 years old. Then he sold his factory.

Watchmaking drew him. The job and the man found each other. In the 85 years since watchmaking by machinery was begun in America 56 companies have been organized. There are only four left. It was 24 years ago that Mr. Miller became a part of the Hamilton Company and that was, if you will remember, not long after a wreck had made it apparent to the heads of American railroads that the second had its value and its danger. They saw they must have approximately perfect accuracy in the watches their men carried.

That was right down Charles F. Miller's street.

His men say of him that he sees things. He knows them all by name. He detests waste. It affronts him to see an electric light burning needlessly. There was a time when the backs of used envelopes were utilized in the office. They were an object lesson on the importance of economy. Yet he does not boggle at the expenditure of thousands if an end is to be accomplished. No foreman is ever asked to skimp his task. The factory rule is:

"Do your work as well as you can."

The cost of good workmanship is never criticized. He spends no money on cathedral lighting or oriental rugs. Yet he believes in the value of beauty. A starved soul is never fit. The lawns and flower-beds of the Hamilton Watch Company are notable in Lancaster. He likes to think that the men who look out of the factory windows are made happier by them. A man cannot do his work well if he is plagued by ugliness, he says. A man must be below par if his surroundings at home are sordid.

He is an intensely precise man. He believes that precision is mandatory if one is to succeed. The more successful is a man the better is the watch he carries. Only the unimportant are ever late for an appointment. It is because of these things

that the factory took its tone. Or so his men said. And so I believed.

An inspector carried an infinitesimal screw to the man who directed the operation of a miracle. The screw was too small to be recognizable except under the double eyeglass. The miracle was a set of magnifying mirrors and a beam of light was the measuring rod. The keeper of the miracle had been assessing the thickness of some steel plates. Twenty-five of them stacked up like lumber, would amount to the thickness of a hair:

"This screw is defective," he said.

The morning's make of screws was thrown away, for all I know. A foreman stopped another inspector:

"This steel is pitted," he said.

He was as angry as though the inspector had pitted it himself. The chemical and metallurgical departments were set at work to find out what made it that way. Under the lens faint shadows could be seen on the polished steel. No practical person—I am a practical person—could be persuaded that they could affect the accuracy of the finished watch. The makers did not maintain that the pits would do any harm. That was not the point:

"That steel is not perfect."

"Good enough" is not good enough

FOR NOTHING less than perfection—so far as perfection may be had—is accepted. The directors of the guild have penetrated one of the mysteries of the human spirit. No man will give fully of his skill and loves where "good enough" rules. The more beautiful is a watch the more nearly an artist is the man who works on it. I saw damaskeened plates cast out because under the glass tiny scratches might be seen upon them. No customer would ever find them. It was evident that if the damaskeening had not been so unearthly perfect time and money could have been saved.

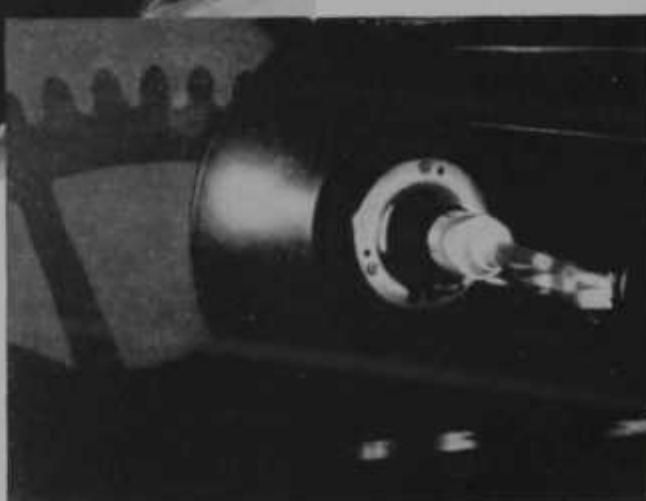
Time and money do not count.

Not long ago a new foreman erred. He is a good foreman, an excellent foreman;

(Continued on page 132)



Pressing settings on the plate demands patience



Small parts are projected to many times their size and checked with scale drawings

Can Stockholders Get a Fair Deal?

By MARK WOLFF

Security Analyst, New York

ILLUSTRATIONS BY GEORGE LOHR

ONE hundred irate stockholders nearly precipitated a riot at the annual meeting of a large corporation last year. They were displeased with the way the corporation was being run and demanded changes among directors and management.

However, the management had sent out proxies. The protesting stockholders had not. As a result the management voted more than 500,000 shares and the stockholders less than 10,000. This year the stockholders have organized and are expected to carry the meeting overwhelmingly.

This revolt against established management was not an isolated case. In the past two months some 35 contests have been waged by stockholders against the policies and alleged malpractices of corporation directors and managements.

Such contests are usually unequal ones. True, stockholders have the power, in the exercise of their prerogatives at the annual elections, to control the directors and, through them, the management. But very few stockholders appear personally at the average annual meeting. Their individual investment is usually small and, because of the vast increase in stock ownership, many of them live at great distances from the meeting place.

Because of this wide-



Proxy contests are expensive, and in the long run all the costs come from the stockholder's pocket



AS OWNER of stock in a corporation you are really the employer of the managers of that company. Yet your part is so small that you can do little, even if you know that those in control are not running the business as it should be run. Is there any way that you can make your desires felt? Mr. Wolff believes there is. He explains how in this article

spread stock ownership, the election of directors is being effected more than ever by proxy. While this, in most large American corporations, has worked out reasonably well, it has opened the door to many abuses. The people in control of far too many corporations are operating the property and the business for their own benefit and to the detriment of the company's stockholders. The experienced security analyst can recall any number of specific instances of abuses about which stockholders were kept in ignorance or, if they knew about them, were only able to act by shouldering the expense of a proxy contest. These abuses usually fall into one or more of the following categories.

Exploiting stockholders

1. LARGE salaries and bonuses paid to management in secret without authority from stockholders.
2. Padding of pay rolls with relatives.
3. Price and other concessions to other corporations directed or managed by interlocking interests for their personal benefit and at the expense of the stockholders.
4. Exploitation by directors and management of incidental benefits, such as the appropriation by them personally of stock or other consideration given for permission to use established

trade-mark or permission to simulate name of corporation.

5. Directors do not direct, but merely lend prominent names as window dressing to cover up inefficient management.
6. Sale of large amounts of stock to directors and officers at prices materially lower than current market value.
7. Unprogressive or backward policies of management.

8. Dissipation through regular annual losses of the assets of a company operating in an overcrowded field and continuing in business in spite of the fact that readily realizable net current assets far exceed the current market price of stock.

Illustrations of these malpractices are readily found. A few will suffice, however.

In a controversy now going on stockholders charge that bonuses of more than 30 million dollars were paid to the management in a period when the dividends paid to common stockholders amounted to about 40 million dollars and that, during four years when no dividends were paid to the stockholders, nearly seven million dollars were paid as bonuses to officers and directors.

In another current case, the charge is that the president of a prominent chain store system has as his principal officers his brother, his son, his attorney, his broker and his in-laws. In a third case a traction company is alleged to have



Because many stockholders live far from the place of meeting, corporation officers are being elected more and more by proxy

paid out more than a million dollars a year in management fees. Suit is threatened.

The president of another corporation is charged with appropriating for himself and his associates the consideration received for permitting another company to simulate the corporation's name. The president is said to have paid one dollar a share for 80 per cent of the stock in the new corporation while the stockholders were privileged to subscribe at \$21 a share for the balance.

A similar case is that of a large company which proposes to sell stock to its officers and higher employees at one-fifth of its current market price; the profit to be derived by this transaction is estimated at 30 million dollars.

Management has control

ALTHOUGH there are various agencies organized in the interests of investors, their function is not broad enough to insure adequate protection of stockholders against a dishonest, inefficient or unfair management. Among these agencies are statistical services which analyze securities, advisory services which recommend the purchase or sale of securities, federal and state attorneys general who investigate and prosecute stock swindlers, better business bureaus which act as watchmen against illegal practices, various stock exchanges which make rules for fair trading and require listed corporations to file periodical reports, the daily newspapers and the financial and other magazines.

All these are organized in the public interest and perform a valuable and necessary quasi-public service. But there

is no established body which actually protects minority—and sometimes majority—stockholders of a corporation against malpractices. Moreover, there is no provision for efficient means by which stockholders may seek redress and "make the punishment fit the crime."

Although need for such an agency has always existed, it is much greater today than ever before.

Both the statistical agencies and advisory services may point out what to buy and what to sell, but they can give no relief to the person who owns stock in a company which is worth considerably more than it is selling for because of a poor market, overoptimistic management or lack of sponsorship. Where known malfeasance in office exists, the stockholders should have available an established, reputable association organized in their interests to investigate and take steps to right such wrongs. Where criminal redress is necessary the offices of the state and federal attorneys general, of course, adequately answer the need but where the matter is a civil or political one, neither the attorneys general, statistical agencies, advisory services, nor other present agencies have the power or the desire to assume jurisdiction.

Obviously such bodies are not interested in seeking to indemnify stockholders by a civil suit or in organizing them for a proxy contest looking toward ousting the present management of the corporation. That is an internal matter with which the public is not directly concerned. It must be settled in the civil law courts or by the ballot boxes at a regular annual or special stockholders' meeting. Success in such a contest requires organization and organization of stockholders is difficult.

Proxies are blindly signed

BECAUSE of this, managements often retain control for years and have even passed officership down from one generation to another. The average stockholder blindly signs the proxy sent out by the management or, if he is dissatisfied with the company's record, throws the proxy into the waste basket or ignores it. His opposition is not registered in any negative way and the management blithely votes whatever proxies come in, as well as the stock it happens to own, the stock of its friends and, very often, "borrowed" stock.

This borrowing of stock could become a vicious practice as it enables an interest to vote stock which it doesn't own.

The borrowed stock usually belongs to speculators on margin and is held by

a broker. The broker is glad to lend the stock because he gets the use of the money (the market value) paid by the borrower as security and can earn interest on it for the period of the loan.

In a pending controversy, the stockholders' committee claims that this is a regular practice of the management. In this particular case, the management, at an expense of about seven cents a share—which covers transfer costs and one month's interest on collateral money deposited with the broker—is able to vote stock costing more than ten dollars a share.

Hard to elect new directors

EVEN when protesting stockholders are able to muster enough proxies to control a meeting, a provision in the corporation by-laws frequently operates against their interests. This provision, ordinarily desirable, states that directors shall be elected for terms of three or four years and rotated in such a way that only one-third or one-quarter of the total number are elected in any one year. Under these circumstances a change in management can be accomplished only by controlling two or three annual meetings instead of one.

This is discouraging and expensive. Although the management's end of the heavy campaign expenses incidental to a proxy contest is paid out of corporation funds, the stockholders who throw down the gauntlet in the general interest must bear the entire expense of their fight, and their *pro rata* share of the management's costs through the company's diminished income account.

Again, a great many proxies are carelessly given to the management and once they are given, stockholders hesitate to supersede them on the theory that to change the vote might show lack of force or decision. The fact that this is not true is no aid to the opposition group.

Yet, despite these handicaps, opposing groups have gained notable victories and, even when defeated, have made such creditable showings as to indicate widespread revolt against many managements.

In a recent proxy contest, the protesting stockholders' committee solicited proxies only during the last eight business days before the meeting date, while the management had sent out the first request for proxies two months earlier. Further, the management had up-to-date lists of both common and preferred stockholders (both classes having voting privilege) while the stockholders' committee had only a nine months' old list of common stockholders. The man-

agement had received proxies for about 150,000 shares before the committee began soliciting proxies.

However, through revokes (the last proxy always supersedes any previous ones) the management's total was cut to slightly more than 100,000 and the committee marshalled more than 70,000 votes.

The proxy committee voted about 1,500 proxies while the management's total was slightly more than 1,000. According to the records, however, the committee was defeated.

Incidentally, in this campaign, although the committee received many letters praising its fight and other letters condemning the management, not one stockholder out of 4,200 made any suggestion of contributing toward the expense. No contributions to defray expenses were solicited.

Stockholders' association needed

GREAT future activity is predicted for one or more organizations functioning under such names as "Stockholders' Protective Bureau" or "Association for the Protection of Minority Stockholders' Interests." The payment for services to be rendered by such an organization, while a matter of detail, is nevertheless a problem, as the adage that "everybody's business is nobody's business" applies with particular force here. It would seem that, since it ordinarily requires a petition by stockholders owning 25 per cent of a corporation's capitalization to obtain official recognition in the calling of a special meeting, the cost of any contest where the participants are able to muster one-quarter or more of the total outstanding stock should be borne by the corporation, through a provision in its by-laws to that effect. This would reduce somewhat the strategic advantages which incumbents now possess over their own stockholders. In this connection, we may watch with interest the result of solicitation of 25 cents per share from 80,000 stockholders now being made by a proxy committee in an important current contest.

The creation of one or more stock-



Where malfeasance exists
the Government will act

holders' associations, together with administration in an efficient and honest manner, not forgetting the important matter of proper financing would probably be one of the greatest single forward steps in a generation toward creating and maintaining confidence in securities and security markets. This should help materially in restoring a good deal of the faith recently lost in securities.

Besides the advantage which should accrue from the financial point of view by the organized protection of stockholders' interests, there are large social and economic aspects to be considered. Business now finds itself, through a series of severe wars between managements and stockholders, sub-

ject to attacks similar to those levelled by business itself against the extravagance and ineptitude of politicians and political machines. The politician at least can say that a good deal of the waste of Government brings incidental benefits to many who are on local, state and federal pay rolls. Besides this, the bulk of payments to contractors and others is reimbursement for pay roll expenditures on their part; also, that any overpayment is spread out so thin that the benefits to society as a whole make up for some of the resultant increased tax burden.

On the other hand, where stockholders' claims are justified, the injury benefits the comparatively few individuals making up managements as against the much greater number which constitute the stockholder class.

Further, the problem in the economic field has an international aspect as well. Competition between one nation and another exists today as never before. If we, as a nation, are to compete on equal terms it is important that we do not handicap ourselves with unnecessarily added costs by tolerating, without seeking remedial measures, any form of racketeering.

That nation has the best chance for success in competition with other nations whose standards in the administration of both Government and business can bear closest scrutiny.



THEIR NAMES MADE NEWS



Here are their faces



BELGIUM

The retiring president of the International Chamber is Georges Theunis, of Brussels. Beside his banking activities as Regent of Banque Nationale Belge, M. Theunis heads power and metal enterprises



FRANCE

Economist and financier, Jean Parmentier has had much to do with guiding his country's finances. He is now Inspector of Finance, and has been French Expert on both Dawes and Young Plans



POLAND

One of the most successful of Central European industrialists is Alfred Falter, of Poland, organizer of the Union des Mines de la Haute Silesie, or "Robur", which he directs. He is a financier, also



GERMANY

The new president of the International is Franz von Mendelssohn, proprietor of Mendelssohn & Co., Berlin. Besides his banking duties, he has long been active in chamber of commerce activities



GREAT BRITAIN

Since acting as President of the Chamber during the Stockholm Congress, Sir Alan Anderson has been Honorary President. His interests include banking, shipping, rail and canal transportation

THIS page is usually devoted to pictures of interesting business personages of our own country. This month we present a few of the distinguished delegates to the Sixth Congress of the International Chamber of Commerce. Four hundred visitors, representing forty countries, came to Washington for the Congress, which is the first to be held in the United States



JAPAN

Kenkichi Kagami, one of the leaders of the large Japanese delegation, is head of Nippon Yusen Kaishai, one of the world's largest shipping companies. Insurance and banking are his activities



Bull fights lure more travelers than culture

Why Americans Leave Home

By ALBERT S. CROCKETT

DECORATIONS BY HOWARD W. WILLARD



THE American has become the greatest world traveler. He journeys to places where, frequently, he is far less comfortable than he would be at home. Why does he do it? Mr. Crockett spent some time finding out

THIRTY years ago, the portable tin bath tub, the canvas carry-all and the shawl-strapped rug, in every port of the world and on almost every steamship and long-distance train, proclaimed the Britisher as the globe's greatest gadabout. Nowadays the great majority of people always on the go hail from the middle sector of the North American continent. The American has become the most numerous, the most tireless, of world travelers. One may fail to find the Stars and Stripes flying in every port, but American speech is to be heard in every accessible spot in the world.

An eager and more widely distributed curiosity to know what the rest of the world is like, together with a much better average distribution of means, increasing during the three decades, helped put the American in the Englishman's place. But is either the basic reason why Americans travel?

During most of those 30 years, I have been trying to discover the real reason for what has become a peripatetic habit, if not perpetual motion. Why do Americans travel? From the answers I have heard and analyzed I don't believe a good many actually know. Some only think they know; some, if they do know, won't confess the real reason. Questioning may develop that behind the motive sometimes alleged is another the traveler does not like to admit, or of which he may have been honestly unconscious.

Of course the simplest and what might be thought the most nearly cor-

rect general answer would be, "To go somewhere."

I don't believe it. Men in the business of promoting travel and catering to travelers, who have had to study the subject, tell me that most Americans travel not so much to go somewhere as to get away from somewhere, something or somebody.

Just to get away from home

IT MIGHT be argued that this statement is but a corollary of the other—one goes somewhere and, in the very act, one gets away from the place of starting. There is a difference.

Some years ago my wife and I were passengers on a tiny Swiss steamboat plying on Lake Lucerne. A storm came up suddenly and the craft was tossed about on waves that, to suddenly awakened imaginations, seemed to be staging an altitude contest with the neighboring Alpine peaks. There was little danger, but some of the passengers thought otherwise and the excitement and uncertainty, as often happens in such stress, drove together the English-speaking people on board. To our party annexed herself a frail-looking, middle-aged American woman, who, we had noticed, had kept to herself. When the

storm subsided, she left at the first landing the boat made and, with us, sought dinner at a neighboring hotel.

The conversation turned upon reasons for travel.

"I have been going steadily for five years," the woman told us. "Around the world several times, to Australia, to South Africa. No, I do not enjoy myself very much. I started traveling to get away—away from home and from painful memories, and travel keeps me more or less occupied."

Then she revealed that the sudden death of her husband and her son, almost simultaneously, had driven her away from scenes associated with them.

Somewhat similar was the story of an elderly woman from St. Petersburg, Fla., encountered about three years ago on a voyage to Spain. She toured the country with our party. But she would not come back on the same ship. Instead, she caught a train for Paris. A widow, she had lost her only son two years before, and she could not bear to remain at home.

A desire for change

SUCH instances could be multiplied. In many more cases, the impelling motive for travel is to get away from narrow

environment and familiar scenes. The widespread urge is for change. But the word really covers a multitude of reasons.

The man who sat down beside me on the early commuters' train one morning borrowed a match and began to chat, looked like a prosperous merchant. He was sunburned, hale and hearty, and full of enthusiasm.

"Just got back yesterday from a cruise around the world," he said. "Had the time of my life. Nothing like it," and he proceeded to draw a lot of vocal thumb-sketches. I asked him if, by any chance, he had been interested in finding out why his fellow passengers had made the trip.

"Say, do you know, it happens I made that my hobby," he replied. "I knew exactly why I had gone and I was curious to learn how many would give the same reason. Some were rather shy about answering questions and there was a wide difference in the answers. Still, the majority fell into three main categories.

"Most numerous were confessions that tallied pretty well with what sent my wife and myself on that journey. In our party were few young people. Most seemed to have reached middle age, and not a few were elderly. For most of them the world cruise was the realization of a dream of a lifetime.

"You read about the trip that fellow Pinchot made—used to be Governor of Pennsylvania. He bought a yacht and went to the South Seas to fulfill a boyish dream. Well, lots of middle-aged and elderly Americans have had just such a dream. However, few of them can afford yachts. But I believe most people get a notion that some day when they have gotten far enough ahead and can spare the time, they'll just pack up, close the house and sail off to those places they have been reading about all their lives.

Retired people like travel

"THE next largest class was composed largely of retired men and their wives or families; people who had plenty of leisure, and wanted to occupy it in some pleasant way. Most of them were past middle age. In the third big class were unattached men and women, mostly women, widows and spinsters, whose home ties were not too strong to prevent their packing up and going away for four months or more.

"But when I give these main divisions, I fail to

take account of a large class of travelers who were to be found in all of them. I saw a passenger list that gave the home town of every passenger. Of course there were a good many from New York, Philadelphia, Boston, Chicago and other cities of the first or second class. But what surprised me was the tremendous number of smaller cities and towns listed as home addresses. As I recall it, most of those places were between Ohio and western Nebraska, and above the Ohio River.

"From one little place whose population, I should judge, could not have been more than 5,000, I counted a dozen names. There were the town's leading banker and his wife, or so I gathered from conversations. Then there were the wife of one of the town's leading merchants and her daughter. Another woman, I was told, was the wife of a rival merchant. She was accompanied by her niece. The banker was the only man in the party except a retired lawyer, who was chaperoned by his sister, a middle-aged spinster. The rest were for the most part widows or spinsters.

"From what some of them told me and what I observed, most of the small-town people had wanted first of all to break away from the cramping surroundings in which they lived. A few confessed they had got 'fed up on' seeing the same folks and doing the same things day after day and year after year. They wanted not only to see the world, but to make social contacts of a sort impossible at home. As one motherly woman said:

They want to meet people

"THAT'S what I fell for. I like to meet people. In our town we've got a woman's civic improvement club, and we're supposed to get interesting people to talk to us once in a while, but if we do get hold of anybody that's real good and who tells you something worth while, he's mobbed by the women who set themselves up to be our social leaders, and you can't get a chance to ask a single question yourself. Why, since we left New York, I've talked with more strangers than ever in my whole life. And most of them were nice, refined people who've been somewhere and done something.

"You see, when you live in a small place where hardly anybody ever comes you run out of things to say. You can read books, of course, but you get dissatisfied with only reading them. You want to live them. You want things to happen to yourself. When you are young and have small children, they can fill up your time well enough, but when they grow up and leave home, as mine have done, you can't be satisfied with just seeing the same folks day in and day out."

An official of the American Express Company who, for years, has been making a careful research into the origin of travel, and who is positive that the basic reason for the average American's travel urge is to get away from rather than to go, somewhere, holds that women have more reason to wish to escape from their usual environment than men. Part of his argument is that a man can be natural without being so much gossiped about as a woman. In his daily occupation he meets more people. For many women who live in small places, life is traveled along a narrow pathway, and to experience a feeling of real freedom they must travel away from home.

Not necessarily because Mrs. Grundy is always peeping out of the window across the way, or that a woman wishes to do any-



"Our aim is to convince the tourist that we can make life pleasanter while traveling"



The New Chevrolet Sedan Delivery

Proved Economy is winning fleet business for Chevrolet



Hardly a day goes by without some new and famous name being added to the long list of Chevrolet Six fleet owners. For it is a matter of record, among many Chevrolet fleet operators, that the *Chevrolet Six is the most economical motor vehicle.* As one large industrial organization has written "Our records are taken from travelers' expense sheets and our expenses include 50 per cent yearly depreciation; \$100,000 liability and \$5000 property damage insurance; garage charges at home as well as on the road; gasoline; repairs; oil; in fact

everything that could properly be charged against automobile expense. In our experience with our ninety-one Chevrolet cars, we find that the total mileage was 1,854,202 miles and that the average cost per mile was \$.04. *The results are quite pleasing to us, in view of the fact that it proves that the six-cylinder car has been run more economically than the four-cylinder.*" If your organization uses cars or trucks, sound economy demands that you investigate Chevrolet. Though a big, powerful Six, Chevrolet actually costs less for gasoline, oil, upkeep and service than any car or truck you can buy.

Passenger car prices range from \$475 to \$650. Truck chassis are priced from \$355 to \$590. All prices f. o. b. Flint, Michigan. Special equipment extra. Product of General Motors. Low delivered prices and easy terms. Chevrolet Motor Company, Detroit, Michigan.

NEW CHEVROLET SIX

The Great American Value

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thing she should not do. The idea of adventure, or the possibility of it, of having experiences far from the rut of her usual life, beckons many. Occasionally one comes across real adventure, as did a middle-aged woman in a small Michigan town who inherited a sum of money when she was well along in life that enabled her to make the trip to northern Africa that had been a dream for years.

Something to talk about

SHE and another woman hired a motor car for a journey to Biskra to see the Garden of Allah. Fortunately for them, they picked up a Mohammedan priest on the way. The driver got lost on the desert, they were held up by bandits and but for the priest's intercession and persuasion the adventure would have come to grief. As it was, the encounter with the "sheik" and his outfit probably gave the woman something to think and talk about for the rest of her life.

When the American Express Company was planning its first cruise, the president put the question at a conference of heads of departments, "Who will go on this cruise?"

"The Great American Widow," replied an official who had been a clergyman. The result showed he knew of what he spoke.

Another reason that impels women to travel is a sort of desire for social supremacy. Many consider it a distinct social asset to be able to speak familiarly of London or Paris, or to say carelessly, "I picked up this little frock in the *rue de la Paix*," or, "I bought that Chinese rug in Shanghai," and to tell the story of the purchase of some trifle in Canton or Cairo. A travel agent of

experience said the other day that more people buy steamship tickets because other people have done it than for any other single reason. It is the same spirit of emulation or imitation that herds people into certain fashionable hotels, crowds them into certain watering places, or even drives them into art galleries.

The lawyer in a small town decides to go on a tour. When his wife or sister announces that she is going with him, it makes a stir in feminine circles all over town. Mrs. Hobbs, as the wife of the foremost banker, is a sort of social leader and she feels that she can't maintain her prestige if she doesn't make the cruise. She talks her husband into it.

Mrs. Banks, wife of a merchant, and somewhat jealous of Mrs. Hobbs' position, tells her husband they can afford to take the trip and just have to go.

Then Mrs. Dix, wife of the rival store-keeper, tells her husband if Nancy Banks and her husband can afford a world cruise, there is no reason why they can't go. As the word spreads, every widow with a fair income and social pretensions and every spinster who can afford it books for the trip.

Well directed and intelligently done, travel undoubtedly makes for culture, and many will admit or claim that their purpose in traveling is the pursuit of culture. But a hard-boiled travel agency man who has studied the subject closely

assures me that purpose is not so common as may appear.

"True," he said, "it is often the most convenient excuse to cloak the real reason why people wish to change their environment. But here is an experience which may indicate just how widespread this desire for 'culture' is.

"We once got up a really high-class cultural cruise to Italy, Greece, Palestine and Egypt. Every detail had been worked out by experts who had covered the ground. We aimed to make it a liberal education for anybody who bought a ticket. We arranged to have the best guides and interpreters, checked up on every detail of the arrangements, and did everything that could be done in advance to make the tour a success.

Not interested in history

"THEN we employed to write the prospectus, a scholar who was one of the best word-painters to be found. That prospectus read like a novel. It just bulged with lure for anybody who was after classical scenes and historical countries, and relics of the distant past. When the prospectus was ready, we had one of the best advertising agencies prepare the advertising copy.

"Well, so few persons signed up that we had to cancel that tour.

"You see, it is not classical remnants and historical relics that most Amer-

(Continued on page 94)



Unless his eyes are shut any tourist will learn something he didn't know

Illustrated below is the two-passenger Coupe with rumble seat, created by Fleetwood especially for the V-16 chassis. In the impressive sweep of its lines and contours, no less than in the exclusive excellence of its upholstery and appointments, it is a creation of marked individuality. Prices of the V-16 range from \$5250, f.o.b. Detroit.



Cadillac's introduction of multi-cylinder motoring is one of the greatest and most fundamental advancements for which this organization has ever been responsible. In fact, it has resulted in a complete change in the basic conception of how luxurious a motor car can be. The finest embodi-

ment of the multi-cylinder principle is found in the Cadillac V-16—a car so markedly advanced from every standpoint that only those who have driven it can appreciate how really exceptional it is. May we suggest, therefore, that you take this car for an informative demonstration?

CADILLAC V₈₁₂_{T6}

Suiting Our Bridges to the Times

By DR. D. B. STEINMAN

Consulting Engineer

BETTER bridges are being built today, just as are better ships and shoes. Here is told something of the advances in the science and its part in our economic progress.

BRIDGE building, once practiced as an adjunct to military achievement, is today developing into an economic necessity. Recent studies of traffic in Illinois showed an increase of 13,000 per cent within a few years. Traffic over the Queensboro Bridge in New York has increased from 3,000 to 87,000 cars a day, a growth of 2,800 per cent in 19 years. These are not isolated instances. The motored road-vehicle, facilitating transportation of persons and property, and the reduced cost of automobile manufacture which has transformed a former luxury into today's necessity, have made imperative not only wider and better highways but also stronger and longer bridges.

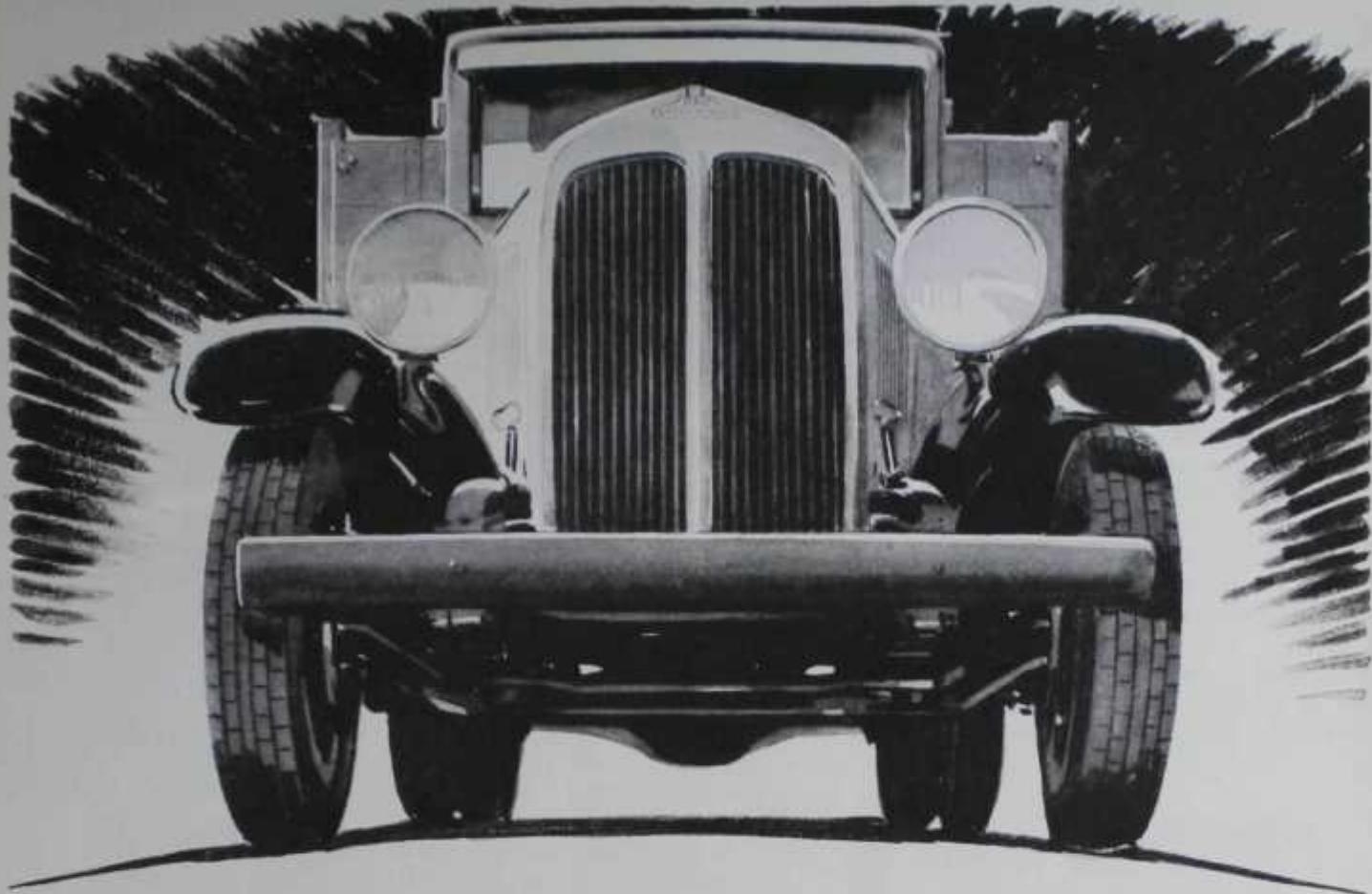
A timber beam bridge spanned the Euphrates as early as 780 B. C. The



This massive steelwork of one of the Hudson River Bridge towers supports part of the 3,500-foot span

The Kaiserbridge over the Rhine at Mainz is typical of the steel arch type of bridge

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WAGON models surpass all

commercial vehicles *in the lowest priced field!*

Call your Reo dealer. Ride and drive these remarkable new SPEED WAGONS.

REO MOTOR CAR CO.
LANSING, MICHIGAN

Persians, the Romans and other war-ambitious nations built bridges, examples of which are extant. But the great structures we are designing today have their inspiration, not in military ambitions or territorial gain, but in a desire to promote and extend peaceful trade and communication.

Individuality in bridges

THE bridge is the largest, the most costly, the most individual structure erected by man. No two are ever the same. Each in its own way triumphs over Nature's obstacles to man's progress. Over bridges of ever-increasing span we march onward and upward, to the peaks of achievement. A sweep of open water two miles broad offers no insurmountable obstacle today. In truth we can now say that no river is too wide to be spanned if the cost is warranted.

Bridges span the barriers between communities and nations. They serve the needs of the lowliest to exactly the same extent as those of the highest. They

bring peoples into friendly cooperation. They are vital links in the highway leading to the universal brotherhood of mankind.

Our forefathers chafed at water barriers and slow-moving ferries. At first, light timber spans sufficed. But, at Uniontown, an iron chain suspension bridge was built, in 1796. Another, in 1809, with a 244-foot span, was so well constructed that it remained in use for a century before reconstruction. Its original chains of ordinary iron, each link two feet long, were forged by a blacksmith. In Wales, near the birthplace of coal and coke smelting of iron ore, a 579-foot span was later achieved. Open-hearth steel enabled daring builders to reach a span of more than an eighth of a mile.

But wrought and cast iron had about reached their limit when John A. Roebling came to this country. He built a wire mill and experimented until he succeeded in greatly strengthening his wire. Then, in 1854, he amazed the world with his 821-foot suspension span across the abyss of the Niagara. He carried the first strand across with a huge kite. So strong and stable was his bridge, utilizing the perfect principle of vine bridges of untold antiquity, that the Niagara span remained in steady use for nearly half a century, the first suspension bridge ever used for heavy railroad trains. Roebling's next suspension span, a 1,057-foot bridge over the Ohio at Cincinnati, is still in use, two

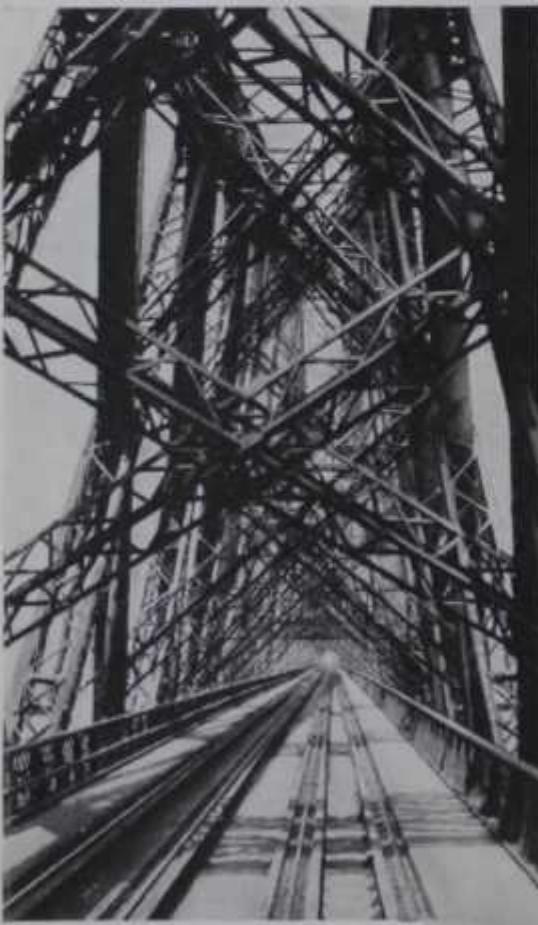
additional cables having been added to carry a vastly increased load.

When Captain Eads flung his web of steel over the Mississippi at St. Louis, in 1874, his arch introduced still another material to bridge builders. Other marvelous steel arches and cantilevers followed. Forty years ago the Firth of Forth was spanned with a cantilever only 100 feet shorter than that of the Quebec Bridge. The Hell Gate Arch was the world's longest arch span. It is exceeded, however, by the arch spans just erected across the harbor of Sydney, Australia, and across Kill-Van-Kull at New York.

As the culmination of his brilliant career, Roebling conceived his daring plans for the Brooklyn Bridge, a suspension span for which no precedents existed. Against tremendous opposition, with only rule-of-thumb designing methods to guide him, he evolved the great bridge which became the monument to his genius.

Built by rule of thumb

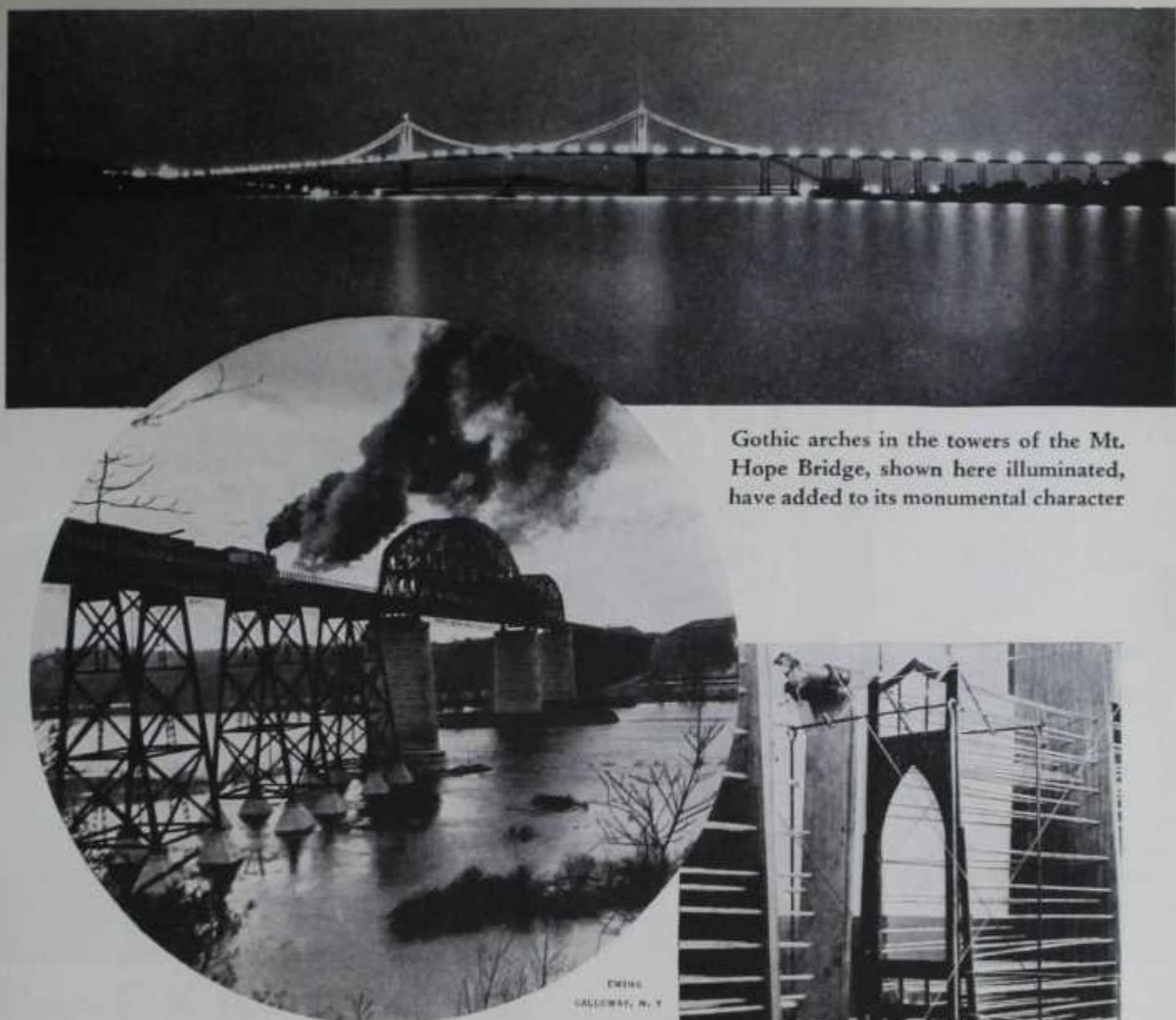
BUT the science of bridge building was then in its infancy. The first crude theory of suspension-bridge analysis did not appear until too late to influence the design of the Brooklyn Bridge. According to modern analysis, the stiffening trusses of that structure are grossly inadequate. Nevertheless the Brooklyn Bridge, designed by empirical judgment and rule-of-thumb, has been carrying, after a generation of service, two or three times the load for which it was planned. The trusses are weak and can be replaced, but the towers, cables and



The Firth of Forth is spanned by this cantilever

It took 35 minutes to place this 433-foot span in Carquinez Bridge





Gothic arches in the towers of the Mt. Hope Bridge, shown here illuminated, have added to its monumental character

Clumsy, massive bridges of the past are now being outrivaled by more graceful and scientific spans

anchorage are still good for centuries.

The past 50 years have seen unprecedented achievement in bridge engineering. Greater progress has been made than in all the centuries preceding. The great bridge structures now being undertaken surpass the Brooklyn Bridge as it surpassed its forerunners. I conceive the outstanding elements of improvement in bridge design and construction have been in material, foundation methods, theory of design, erection methods, and aesthetics. Today we are just reaping the harvest of these improvements, and that is why the greatest bridge structures have dated since the World War.

The Eads Bridge at St. Louis, completed 1874, was the first in which steel was used in bridge construction. This metal offered new and enlarged possibilities and opportunities. The quest for an even stronger metal soon led to the development and application of alloy

steels. Nickel steel was used in the Manhattan, Queensboro, Quebec, Metropolis, and Philadelphia bridges. A more economical alloy was found in silicon steel used in the Philadelphia, Carquinez, Mt. Hope, Detroit, St. Johns, and the Hudson River bridges.

High-tension steel developed

FINALLY heat-treated steel was developed for bridge work, a special process of heat treatment giving increased strength without the addition of other metals. The highest form of this high-tension, heat-treated steel, permitting a working stress three times as high as that allowed on ordinary structural steel, was used in the Florianopolis Sus-



Tests on this model checked estimated stresses on the St. Johns Bridge towers

pension Bridge in Brazil, completed in 1926. This development of steels has extended the range of economic construction of long-span bridges.

The Brooklyn Bridge and the Eads Bridge represented practically the first use of pneumatic caissons for bridge foundations. Those foundations were regarded as a great achievement. Since then the methods of sinking deep foundations have been greatly improved, and greater depths have been successfully

(Continued on page 110)

Some Aspects of Price-cutting

By CHARLES F. ABBOTT

Executive Director, American Institute of Steel Construction, Inc.

DECORATION BY D'ARCY

COMMODITY prices have been very weak during the past two years, and price recessions have for the most part reflected economic necessity. In days such as we have gone through, however, the evils of price-cutting are more apparent than ever, and afford the best of opportunities for a much needed lesson. Most industries have been forced to work along on a lower price level, profits have become impaired and competition more difficult to meet. Individual companies frequently have not understood the actual causes and have been hopelessly struggling for a solution and relief from the perplexing difficulties with which business has become inflicted.

It is not the lawful reduction of prices that I condemn. We must recognize the ethical distinction between necessary price reductions and price-cutting inspired by a selfish desire to obtain more than a reasonable proportion of business.

Prices that are reduced to dispose of excess inventories or to meet emergency conditions would not, and should not, be classified as illegal price-cutting.

On the other hand, cutting prices for the purpose of taking business away from others who may be en-



"Price-cutting for the purpose of taking business away from others means demoralization"

PRICE-CUTTING goes on eternally, but periods of depression bring it to the surface. In the advertising business, for instance, there is talk that some agencies are granting excess commissions to get business; in the automotive industry there is criticism of excess prices for used cars; complaint is made that manufacturers are offering price reductions to chains. How much an evil is price-cutting, and if it is an evil, is there a remedy?

titled to it is objectionable. Under the spirit of the Clayton Act such practices, I firmly believe, are illegal. Cutting prices to obtain more than one's share of business, or to obtain business on a price basis alone, is also reprehensible. To submit one price, only to return and submit three or four additional and lower prices, thereby starting a price-cutting orgy, is vicious.

A starting point

THE Clayton Act plainly condemns price discriminations designed to lessen competition. The idea behind the federal law is in line with what we all believe, and I feel confident that we could cure the evils of price cutting today were we not likely to lose our way in the morass of legal technicality that so often follows when we depend entirely on the courts to correct economic evils.

Reforms are difficult to realize when left to the compulsion of law and administration. Reform must exist in the hearts of men before it is really accomplished. Therefore, no statute will ever cure price-cutting until business men cure themselves individually of all desire to indulge in evil practices. We must convince ourselves of the desirability of the right before we can



To fill the nation's sugar bowl—

Uncle Sam has a sweet tooth—so sweet, in fact, that refining sugar to satisfy it is one of the country's major industries.

From the country's leading refineries a constant flow of packages pours in a steady stream into forty million homes. Quite as important as refining the sugar is the problem of packaging it—strong enough to keep it sweet and pure from refinery to table, fast enough to keep pace with production, accurately to give correct measure and avoid waste.

Sugar's leading producers, just like those in practically every packaging industry, have found Pneumatic Scale Packaging Machinery the best method of performing their packaging operations. In fact, practically all of the sugar refineries in the United States use Pneumatic Scale Packaging Machines. They have tested costs, performance, depreciation—all the things you must consider when you contemplate buying packaging machinery. The results of their experiences are contained in a booklet, entitled, "An Interview," a booklet that should prove an invaluable guide to you in your selection of a packaging method. Write for a copy.

PNEUMATIC MACHINES

Carton Feeders—Bottom Sealers
—Lining Machines—Weighing
Machines (Net and Gross)—Top
Sealers—Wrapping Machines
(Tight and Wax)—Capping
Machines—Labeling Machines—
Vacuum Filling Machines (for
liquids or semi-liquids)—Auto-
matic Capping Machines—Auto-
matic Cap Feeding Machines—
Tea Ball Machines

PNEUMATIC SCALE PACKAGING MACHINERY

PNEUMATIC SCALE CORP., LTD., NORFOLK DOWNS, MASS.

Branch Offices in New York, 26 Cortlandt St.; Chicago, 360 North Michigan Ave.; San Francisco, 320 Market St.; Melbourne, Victoria; Sydney, N. S. W., and Trafalgar House, No. 9 Whitehall, London, England.

attain it. It is difficult for some to accept the idea that operating policies in the factory must be based upon conditions of sale. Too frequently policies are formulated by disregarding those conditions.

Stable production needed

INDUSTRY must understand and accept the theory of stabilizing production. It must recognize the spirit of live and let live. It must adopt the formula of total cost plus profit in fixing selling prices. Is capacity production at a net loss more desirable than 60 or 80 per cent output at a profit? If one competitor wastes his capital assets, must every other seller in competition match his destructive, ignorant policies?

Business exists for making profits. When profits disappear, business likewise disappears. An adequate wage for labor; an adequate supply of goods at reasonable prices for the consuming public; a fair return on his money for the investor; an unimpaired source of tax returns for the Government all depend on the profitable operation of business.

This problem of earning a profit, however, is properly left to the discretion of business management. Consequently, management is in duty bound to apply scientific thinking and planning in effecting better methods for stabilizing business prosperity.

Consumers will never complain of prices that include fair profits for the producers. What they want is prices that can be relied upon, that are the same to all users, and that are stabilized. They object to fluctuating prices and concessions enjoyed by a few, or prices that may be cut tomorrow.

No credit accrues to anyone when an order is taken at a cut price. The buyer may gain a temporary benefit and the seller has the order, but in the end both buyer and seller lose far more than they gain. The buyer encourages price demoralization and he can never tell whether his price is right on his future purchases. The seller reduces his profit and in the end he may find himself giving away a part of his capital assets.

Business a public service

EVERY business enterprise is fundamentally a public service undertaking. It can make good and should be allowed to exist only in proportion as it recognizes the public character of the function it is performing. One of these functions is to treat its customers alike, relieving them of the necessity of bargaining, and thus allowing them to ex-

ert their full economic strength. Uniformity of prices and of treatment until the time comes when there is reason for a uniform change, with full publicity for the facts, is the course upon which the interests of all can be reconciled—and the only one.

The market value of any business depends upon the amount and regularity of its profits. Real estate and inventories do not add much to market value. The real market value is determined by the efficiency of the whole organization and its profit-making ability. Bankers are searching day and night for the profit-makers and they run away very fast when the profit account is missing.

Every factor in the industry—the manufacturer, the wholesaler and the retailer—should cooperate to this end. Their interests are basic and, to succeed, all must do so on a reasonable, profitable basis. The big problem is for the manufacturer to recognize his rightful position of leadership. If conditions among jobbers and retailers are unsatisfactory, then the manufacturer has shirked his duty.

Secret rebating still with us

MANY instances are on record where manufacturers are selling to the ultimate consumer at prices lower than either the jobber or the retailer could possibly quote. Again, we see many instances of the old vicious system of secret rebating with all of its destructive influences. We also find manufacturers selling to jobbers and retailers of questionable financial standing, thereby encouraging destructive competition by incompetents. We see manufacturers selling to brokers or those who have no rightful position in the distribution cycle.

If price-cutting is to be eliminated and the business transacted on a basis of profit, the manufacturer must exert his leadership and, in forming his selling policy, he must define fair practices and then vigorously enforce them without partiality or deviation. One of the most constructive influences is the establishment of a one price policy, thereby creating prices and discounts that will be fair to all.

It is obvious that the problem of the distributors becomes the problem of the manufacturers. On the other hand the distributors cannot expect to profit unless they, on their part, extend to the manufacturers that degree of efficient distribution which it is reasonable to expect. Only through the recognition of the necessity for group conferences by manufacturers, jobbers and retailers

representing an industry can unfair, unethical and unsound trade practices be eliminated. It should be clearly recognized that the manufacturer cannot profit at the expense of the jobber or the retailer, and that the jobber or the retailer cannot profit by pursuing methods contrary to the manufacturer's policy.

Confidence and self-respect

THERE are instances where buyers attempt to make the seller believe that lower prices have been quoted. There are other occasions when the buyer may be sincere in his statement. In the long run, however, it will pay the seller to pursue the one price policy and submit a price based on a cost that he believes to be fair. He may lose some business, but he gains as confidence and self-respect become established. Buyers are always attracted by a strong personality. They shy away from the weak-kneed seller. In the last analysis the courageous seller is the winner.

There should be no doubt, no hesitation, in accepting and applying wholesome cooperative effort among competitors. It offers the only way to a larger business, a better business, and satisfactory profits. There is no other answer. Competition must fall to the level of vicious fighting and trade demoralization or it must adopt a practical plan of cooperation.

Men working together sincerely for a common end and a common purpose can so organize their energies that problems fade before them and limitations recede. It is then that the individual prospers the most.

What of future competition?

THE industrial and commercial contest of the next 20 years will be cyclonic in its intensity. It will be vast and magnificent. Sales managers are just beginning to realize that business is in its dawn, and that the victories of the past are small in comparison with the victories of the future. Just as the master word of yesterday was "Initiative" so the master word of today is "Cooperation" and the words tomorrow "Cooperative Coordination."

The efficient trade association is one reason for America's famed teamwork in business. It serves as an enlightenment of selfishness, a generosity on the part of the big fellow to help the little fellow. It has already taught us that the main secret of a successful business and a happy life is to climb up from retaliation to reciprocity.

It may be safely said that few phases



Their production was sluggish . . . profits were lean —

They needed a tonic to revive their business. All of the standard cures had been tried and found wanting.

Clearly the case called for a special prescription. Finally, they came to Special Production Machines for help. Our engineers diagnosed the trouble, designed a machine, built it, installed it. Production doubled from four hundred to eight hundred condensers a day. Profits grew fat and healthy. And today they own the exclusive patents to this machine which gives them a definite edge on competition. This is a true story, based on actual fact.

A number of other companies in varied industries have increased their profits and improved their production through the work of Special Production Machines. We have done our most effective work in building machines to replace slow, costly hand labor. But our work has also included the successful redesigning of existing machinery to greater speed and accuracy . . . Write Special Production Machines, Norfolk Downs, Mass., for more

complete information on this production service and our methods of operation.

Special PRODUCTION MACHINES

A Division of PNEUMATIC SCALE CORPORATION, LIMITED

For over forty years, Pneumatic Scale Corporation, Limited, has manufactured automatic labor saving machinery for many of the world's largest producers of merchandise

SPECIAL PRODUCTION MACHINES, NORFOLK DOWNS, MASSACHUSETTS

of a trade association's work are more important than the education of its members to the point where they will realize the value of an established sales price that is fair to both buyer and seller.

The interests of the public are also protected by such a move, for the public suffers a distinct loss when sales are made at cost or less than cost.

Editor's Note—We showed this article to a hard-headed business man. He read it thoughtfully and said:

"I can't entirely agree with Mr. Abbott. He says there is an ethical distinction between necessary price reduction and 'price-cutting inspired by desire to obtain more than a reasonable proportion of business.'

"Who is to tell me my reasonable proportion of business? I want my business to grow. Can it grow except by sometimes getting more than its 'reasonable proportion' of business?

"Am I justified in cutting prices to make a new customer or to persuade a customer to try a new product? Cer-

tainly no one would oppose price-cutting based on lower prices of raw materials. If, by price-cutting based on such economic advantages, I get more than a reasonable share of business, who should say me nay?

"I believe that our talk of price-cutting is becoming speculative, and that we shall never go through a depression without some price wars. Perhaps, in the end, they are good, if only for the consumer who gets his product cheaper or for the manufacturer who is driven to see how he can meet his competition."

State Your Price and Mean It

By C. R. PALMER

President, Cluett, Peabody & Company

DECORATION BY IRIS JOHNSON



The dealer who gets a special allowance wonders what sort of allowance his competitor is getting. That worries him, slows down his progress

"Is there any request you wish to make?" asked the doctor. "Any last thing I can do for you?"

"Yes," gasped Jones, who was almost gone, "wire my house and tell them that, before I die, I'd like to know the absolute, rock bottom price on our B-44."

Manufacturers and retailers may both learn an important lesson from their experiences of 1930, even though they may find it is hard to take right now.

In the clothing and furnishing trades,

with which I am most familiar, there never was a year in which there was so much "trading." Both manufacturer and retailer have resorted to innumerable expedients—chiefly price-cutting and special discounts—in a desperate effort to sell products. Few of these devices have worked. All have cost money, increased losses and, in the end, failed to sell goods at a profit.

Aside from any question of ethics, I believe the special allowance to be unsound in an economic sense. An efficient

THE practices of the past year in the clothing and men's furnishing industry can best be described by a story, old to the trade but truer now than ever. Salesman Jones went west for the XYZ Clothing manufacturers. One number in his line—B-44—was especially attractive.

"Now, the absolute, rock bottom price of that number is \$22," said the boss. "Not a penny less."

At Kansas City Jones got an offer of \$20 for a dozen suits of the B-44.

"No sir," he said. "The rock bottom price of that number is absolutely \$22."

"Well, you wire in my offer, anyway," said the retailer.

In response to his query, Jones' company wired to accept \$20. He went on west. At Denver the first prospect said:

"I like that B-44. I'll take a dozen suits at \$18."

"Out of the question," said Jones. "The absolute, rock bottom price is \$22."

"Wire in my offer, anyway," urged the retailer, and Jones did so. Back came an order to sell for \$18 but to remember the rock bottom price was \$22.

In Salt Lake City Jones got an offer of \$16 and the house accepted it. In Los Angeles an offer of \$14 was made, and the house accepted that.

A day or two later Jones was taken sick. He developed pneumonia and the doctor told him he couldn't live.

To a Business Man

WHO WANTS TO DO SOMETHING BIG FOR HIS EMPLOYEES... AND HIS BUSINESS

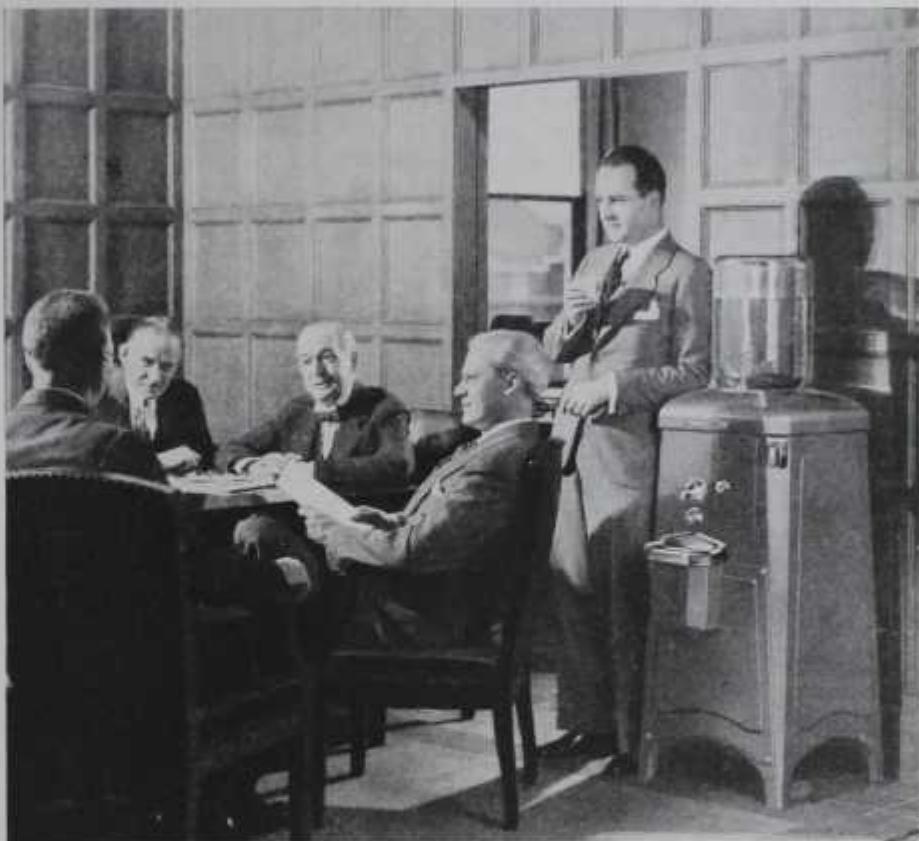
Take a walk through your offices or your factory on one of those days when the mercury is trying to squeeze its way through the top of the thermometer. You will see clerks laying down their pencils and workmen leaving their machines to make frequent trips to the nearest drinking water supply.

Or, rather, that's what you will see if you are depending upon inefficient water coolers! For when water is too warm or too cold people can take but a sip at a time. They can't help but make frequent trips to the faucet! And, between times, instead of thinking about their work, they can't help but keep thinking how miserably hot it is!

So if you really want to do something big for your employees, and put an end to a lot of lost motion besides, replace your present cooling equipment with modern Frigidaire Coolers.

COMPLETE NEW LINE NOW READY
There's a complete new line of models just out—for cooling bottled water or city water—and with each model offering many outstanding features not to be found in any other cooler.

In fact, these new models represent the last word in Advanced Refrigeration—in quietness, in beauty, and in dependable, low-cost performance. They are equipped with a refrigerating unit that carries a three-year guarantee. And they have the extra power that cools water quickly and keeps it at temperatures that quench thirst thoroughly—all for just a few cents a day.



The Frigidaire Water Cooler illustrated above cools bottled water to "just-right" temperatures—keeps it that way.

★
Shown at the left is the special refrigerated compartment furnished on certain Frigidaire Water Coolers. It has a tamper-proof lock fitted into the door handle.

★
The model illustrated at the right is designed especially for use in factories. It keeps the water at healthful temperatures, regardless of surrounding heat.



F R I G I D A I R E * * WATER COOLERS * *



ADVANCED
REFRIGERATION

FRIGIDAIRE CORPORATION, DAYTON, OHIO
Subsidiary of General Motors Corporation

manufacturer makes the best possible product for the best possible price. Now, when a special discount or allowance is made, under such circumstances, the money which it represents is bound to come from one of two places—out of the product, which must thereafter be inferior, or out of the manufacturer's profit, which already has been scaled to a scientific percentage.

Nine times out of ten it comes out of the product, which means that the retailer gets an inferior article which is harder to sell and gives less satisfaction to his customer.

Sometimes the special discount is a straight price reduction and sometimes it is camouflaged. For example, we showed our line to a merchant in a big city. We knew he would be a good outlet and would sell lots of shirts. He was interested and apparently was ready to buy, but before placing the order, he said to our representative:

"Come outdoors a minute: I want to show you something."

He took our man across the street and pointed up at a large blank wall on his store building. It was equipped with electric lights for illumination.

"That space would make a great spot for a flashy display sign for your goods," he said. "How would you like to have it?"

Our man was suspicious.

"What would it cost?" he asked.

"Twenty thousand dollars a year," replied the retailer.

"Nothing doing," our representative replied.

We haven't sold him yet and won't on that basis.

Our policy is definite. Naturally merchants were skeptical at first—were afraid that if they paid the straight, full price a competitor down the street might be getting a discount. When they discovered we really meant what we said, there was a wholesome increase of confidence in our company and in our goods.

The discount for advertising

A FAVORITE form of special discount is the so-called "advertising allowance." When a retailer finds we won't cut prices he often volunteers to spend for local advertising of our goods an amount equal to a certain percentage of his orders for the year. He then asks us to give him a discount amounting to that percentage.

We have learned from experience and observation that this is usually little more than a discount, which would actually have to come out of the quality of our product or out of our profits.

Some of the deals you hear of are amusing. After returning home from a buying trip to New York three San Francisco merchants discovered that each had bought a certain product exclusively for that city, and each had paid a different price! One industry has gone so far that I understand it is common practice for manufacturers in that line to pay salaries of retail salespeople.

Any dealer who gets a special allow-

ance loses at least some of his respect for and confidence in the manufacturer who gives it. He wonders what sort of allowance his competitor is getting. He knows the competitor is getting one, for he's just as much entitled to it and is probably as good a trader. That worries him and takes his mind off his own job, and slows down his business program.

People know what they want. They cannot be sold something they don't want without a lot of argument and a lot of wasted time and extra selling expense to the manufacturer. Unless he can sell the retailer something that the public is going to buy, no amount of special allowance will move his merchandise. If he is selling the retailer something that the public is going to ask for, then he doesn't have to give any special discount, appropriation, subsidy, or whatever you want to call it.

The surest way for a merchant to make money is to handle a product that the public will buy quickly. It is better to turn over his stock ten times at a profit of 15 per cent than to turn it five times at a profit of 30 per cent. The added number of customers will buy a lot of other merchandise while they're in the store. Inventories will be held down and the necessity of special sales at reduced prices will be avoided.

Our experience proves to me that when the retailer knows that he is not going to get a special discount and that nobody else is going to get it, he is completely satisfied and forgets that he ever did business any other way.

I Make Money Being Hard-Boiled

By ART BROWN

DECORATION BY LEMUEL THOMAS

A STOCKY, middle-aged man sat across from me in a Pullman smoker casually reading a newspaper. As he turned a page, his eye fell on something that seemed to upset him. He straightened up, clucked a couple of times with his tongue, and then began to swear effectively to himself. Suddenly he pushed his newspaper over to me.

"Look at that," he said. "That shows what fools some people can be."

He pointed to a half-page advertisement. I looked at it as he requested.

Later I tore it out of the paper, and now have it before me. The top line says in big type:

"The So-and-So Car offers the most amazing trade-in proposition ever presented to the people of this community."

The ad goes on, "We repeat our sensational offer to take Model A Fords and Chevrolet Sixes in trade at full purchase prices, (assuming, of course, that your car is in average condition.)

"Think of it! Every dime you originally paid for your Ford or Chevrolet given back in this allowance on a brand new So-and-So."

"Yet that is only an indication of the allowances we will give on other makes of cars."

"We are meeting new conditions with the most amazing values in this company's history. Unheard-of allowances given on old cars. Down payments lower than ever. That's what buyers want today."

"We are offering you, without question, the greatest opportunity you have ever had to own a So-and-So at a price. It will pay you to buy now."

"No cash! Your old car will more than cover the down payment—with no

You don't get orders unless you *ask* for them

Multigraph users *everywhere*
are reaching buyers with
low cost sales messages.

ONLY a fractional share of business comes unsolicited. Commodities and service are sold when people are told. And if selling is to be profitable the telling must be timely and economical. Through MULTIGRAPH, small retailers and gigantic corporations alike secure a low cost, high return method of selling. MULTIGRAPH produces the folders, booklets, enclosures, post cards, blotters, catalogs, personalized sales letters, and other types of direct appeal advertising which all businesses find so profitable... right in the offices of users... with savings up to 40 percent... and speed that is priceless when time means money.

Why not learn how a girl and a MULTIGRAPH sales promotional department in a corner of your office can develop orders for you at a small cost? And print your office and factory forms with savings of nearly half. Investigation involves no obligation.

The American Multigraph Sales Co.

1833 East 40th Street, Cleveland, Ohio

Addressograph-Multigraph of Canada, Limited, Toronto, Ontario

DIVISIONS OF

ADDRESSOGRAPH-MULTIGRAPH CORPORATION

Sales and Service Agencies in the Principal Cities of the World



The MULTIGRAPH

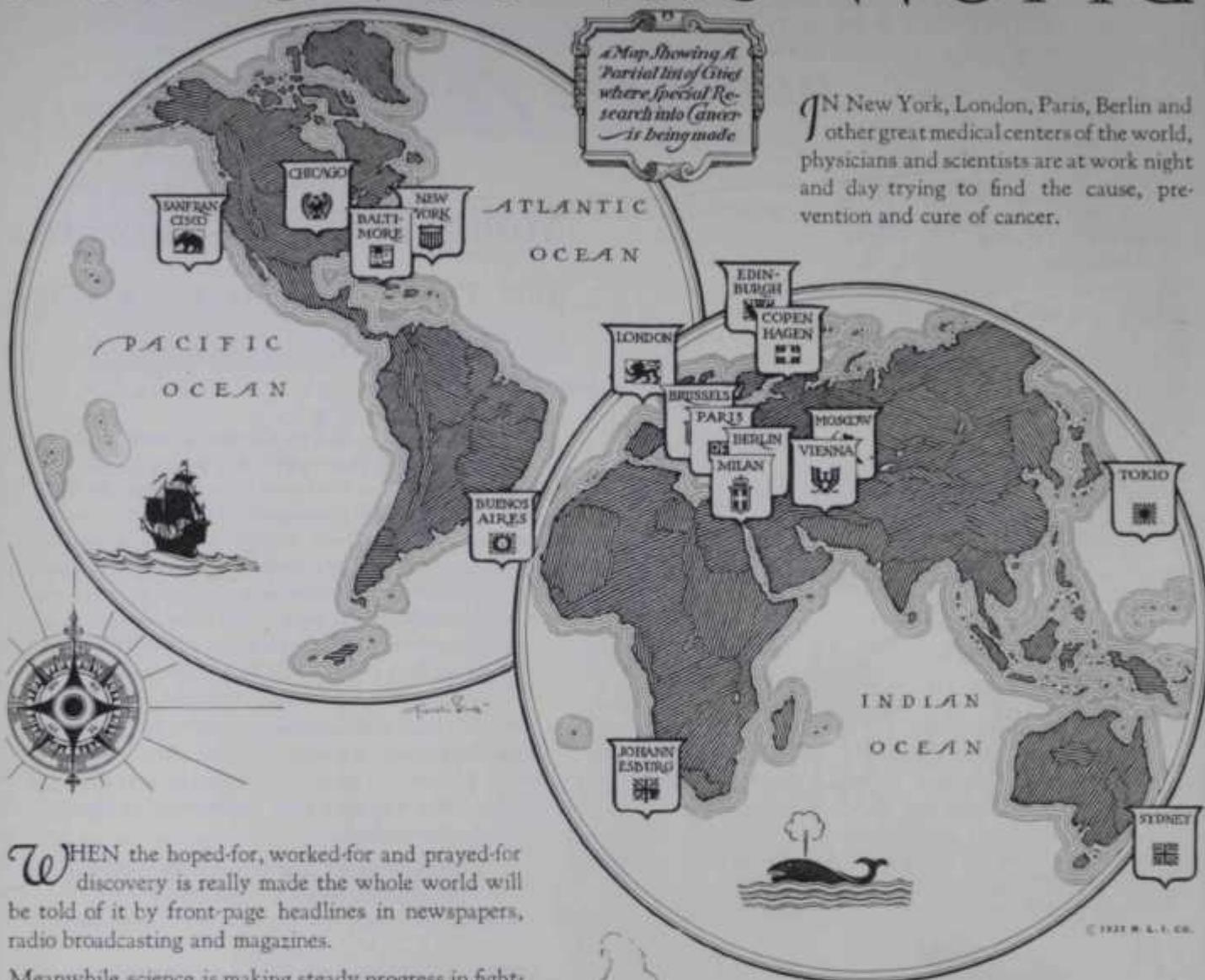
33 WAYS

...LOW OFFICE WORKERS
...USING MONEY OR CASH
...PRINTED DOCUMENTS

This portfolio is a complete guide to Multigraph operation. If it gives you one sales building or expense reducing idea only it is worth your time. It is yours for the asking.

A Complete Sales Promotional Department
for Every Business

All Over the World



© 1931 M.L.I. Co.

WHEN the hoped-for, worked-for and prayed-for discovery is really made the whole world will be told of it by front-page headlines in newspapers, radio broadcasting and magazines.

Meanwhile science is making steady progress in fighting the disease which kills more people, past 40, in the United States than any other disease but one—heart disease.

As in many other wars against disease, the great weapon at present is education—spreading the knowledge that cancer in its early stages can often be destroyed by radium and x-rays or removed by surgery. But there is no accepted proof that any drug, serum or local application can cure it.

Cancer itself is neither hereditary nor contagious. Its early development is usually painless.

But while cancer prowls, like a thief in the night, attacking and robbing the unwary, alert defense against it is saving thousands of lives. Complete health examinations, made in time to locate the presence of the enemy, are the best defense against cancer.

Be suspicious of all abnormal lumps, strange growths, swellings, sore spots that refuse to heal, or unusual

discharges from any part of the body. Look out for moles, old scars, birthmarks or warts that change in appearance. If you have jagged or broken teeth, have them smoothed off or removed. Continued irritation of the tongue or any other part of the body is often the beginning of cancer trouble.

Quacks and charlatans, who claim to have discovered secret cancer "cures", prey upon the ignorance of their victims—and their victims lose precious time when every hour is of utmost value in preventing the growth of the disease.

Modern science appeals to intelligence. Many untimely deaths can be prevented by getting rid of cancerous growths. More especially is this true while they are local and confined to a small area.

Send for the Metropolitan's booklet, "A Message of Hope". Ask for Booklet 631-U which will be mailed free.

METROPOLITAN LIFE INSURANCE COMPANY
FREDERICK H. ECKER, PRESIDENT

ONE MADISON AVE., NEW YORK, N.Y.

★ **SOME** refreshing philosophy by an automobile dealer who lost \$28,000 trying to be pleasant. Now he tells customers to "go to hell" and business is booming. Incidentally, he believes he has solved the "trade-in" problem and passes on his knowledge to whom it may concern

cash necessary. Balance in easy monthly payments.

"Free—a \$25 heater installed in every car. Special free oiling and greasing service for six months. Free equipment and many other special features included with every car purchased."

I finished reading and looked up. The stocky man shook his head.

"What's it coming to?" he asked. "What's it all coming to? I'm a car dealer myself. I sell a machine that competes with that one there. No dealer can make money cutting prices on new cars that way. He's just heading himself for bankruptcy—and he's making business bad for every other car dealer. On top of that, he's making the public lose faith in his car. If he's willing to give it away, something must be the matter with it. That's what people think.

"Something ought to be done about all this price-cutting. Every business is getting into it. That's been going on for a long time. Somebody pays for it somewhere. The loss has to be made up on something else. You can't give away all your merchandise and still show a profit at the end of the year. If you can, you're a better business man than I am.

How printers cut prices

"ON WHAT little printing I buy I never seem to have to pay the full price. I get bids from a number of printers in town. All I have to do then is to intamate the lowest price to one of them to get a still lower price. Is that good business? In one month four printers in our town went out of business. Whose fault was it? I could have told them what to expect.

"Out west the railroads are slashing prices on railroad fare. I don't know what the Interstate Commerce Commission thinks about that, but they're doing it just the same. They say they have to do it to keep up with the buses. They have to meet their competition. Some of the railroads are advertising that they will carry you for a cent a mile—a hundred miles for a dollar. Just think of it! And the airlines are cutting their prices, too, to keep up with the

railroads. Some stockholders are going to lose money on that.

Price-cutting in car sales

"I ALMOST went to the wall myself on account of price-cutting. I've been in the car business seven years. The first three years I lost \$28,000 taking in used cars for more than I could get out of them. I was forced to do it. There was a car dealer across the street from me, who handled a car in the same class I sell. No matter how much I offered for an old car on a trade-in, he raised the ante on me. If I wanted to sell a new car I had to give far more for the old

car than it was worth—and lose money on the deal. There was no way out.

"The distributor for my territory kept loading me up with new cars each month. He even had the nerve to send a special auditor around to show me how I could get rich by keeping my books a certain way. That auditor tried to show me how I could go on selling cars at a loss all year—and by selling enough of them on that basis come out on top by getting a bonus from the company for beating my quota.

"I told that auditor to get out and stay out, and I wrote a letter to the distributor and told him to come and get the agency. He could have it by paying me what I had invested in it, I told him.

"I had everything I owned invested in that agency. The dealer across the street lost money on every new car he sold. I knew he was going to the wall some day. I kept going deeper and deeper in debt myself. He went in faster than I did, though, because he sold more cars than I did. After three years he went broke—for \$40,000. There wasn't enough left to pay the postage.

"The bankers wanted to close me out, too. I made a proposition to them. For the first time in three years my competition was gone. I had a chance to sell some new cars without losing money. I said to the bankers, 'Close me out if you want to, but you'll be lucky to get 30 cents on the dollar. You'll probably get 20 cents.'

"But leave me alone and I'll work myself out. I've got a proposition for you. Let me have enough money to buy six new cars. I need that many to make a showing on the floor. You can hold title to them. As I sell them I'll turn the profit over to you. I ought to have six new cars on the floor all the time.'

Bankers agree

"THE bankers thought it over. They had nothing more to lose. They had a chance to get back what I owed them. If they closed me out, they would have lost a great deal. They accepted my proposition.

"I made up my mind never to take in a used car for more than what it was worth, no matter if I never sold a new one. But I did sell some new ones. Business was good. By the end of the first year, I had



"No matter how much I offered for a car on a trade-in, my competitor across the street raised the ante on me"

paid the bankers \$7,000 on what I owed them. Within three years I was out of debt.

"But I didn't get out of debt by cutting prices. That's the way I had gotten myself in. I made up my mind to try something else this time. It's not easy to sell things without cutting the price in this day of price-slashing competition but it can be done. Maybe we need some more laws to help make business men see the light."

Photographs at cut prices

"THERE'S a commercial photographer in our town whose regular price for making a picture is five dollars. The other day I wanted a picture of the outside of my building. I called him on the phone and asked him what his charge would be for the job. He told me five dollars. I already knew his prices because he had done work for me before.

"Wait a minute," I said to him. "That's too high. I can get a picture like

that made for three dollars. If you want to take the job for that price, all right. If not, I'll go somewhere else."

Can't get full price again

"HE TOOK the job. He is a reputable photographer, but because he has been bitten by the price-cutting bug, he's afraid to stand up for his rights. What about his future jobs? He'll never get full price out of me again. I'll tell my friends, and it's not likely that he'll be able to get full price out of any of them."

"I've made money selling cars the past few years, but I haven't made it by cutting prices. When a man comes around and tells me that he'll buy a new car if I allow him a certain amount on his old car—if I see that he's trying to get something that's not coming to him, I tell him to go to hell. Why should I buy his old car for more than I can sell it for? That's what it amounts to."

"If a man wants to do business with me, I look over his old machine. I value it at what I think I can sell it for. If he

wants to trade it in at that price, all right. If he doesn't, I let him take it somewhere else. Let some other dealer lose money on him."

"I've got some good mechanics. My repair department has a reputation, and it's earning me a little money—not as much as some people imagine, but at that, a fairly good profit. I've built up that department on dependable service. My prices aren't high, but they aren't low. What would happen if I began cutting prices on repairs for the sake of getting business? I'd probably have a lot more customers but I wouldn't show any greater profit when the books are closed."

"Word got around town not long ago that I was in the market for a radio. Two dealers came to me and voluntarily offered me a cut price without my asking it. One of them called up on the phone and made me an amazing offer—on the strength of the fact that I was a fellow merchant and deserved it. I bought his set. I couldn't afford not to. Maybe he'll be around some day trying to get a special price on a new car—or a bigger allowance on his old one. It all amounts to the same thing. Well—

"Maybe I'm wrong, but I won't cut prices. And I've been selling my quota of new cars. I'll do the same thing again this year, I believe, in spite of the depression."

Used-car problem a worry

"BUT the thing that worries me all the time is the used-car problem. When a man comes in—if he's smarter than you are—before you know it, you've bought an old car instead of selling him a new one."

"When you take in used cars, you've got to see your way clear to get your money out of them. You've got to keep them moving, or you'll tie up your capital in a hurry. I've a plan for moving mine. I can't always get rid of them for what I pay for them, even though I don't pay any more than they're worth. Here's my plan:

"When I get a used car, I hold it at its trade-in value for 90 days. Then, if it's not sold, I drop the price \$50. I keep on making these \$50 reductions every 90 days until the car is sold. It's the only way you can get rid of them that I know of."

He paused for breath.

"But isn't that a form of price-cutting?" I asked. He didn't answer.

"These dealers who offer anything for a used car just to make a sale," he said, "I can't understand them. They're just putting the skids under themselves."

Something New in Shopping Centers



EXCLUSIVELY residential, Highland Park, suburb of Dallas, Tex., found its shopping needs in direct conflict with the primary motive of its establishment. During its 23 years of existence, residents had shunned a business section.

Its growth has been carefully planned and supervised through zoning ordinances. No homes can be built without the plans first being approved by the community developers, Flippin and Prather, Dallas realtors.

But 10,000 people must shop, regardless of their reluctance to open their community to commercial pursuits. A growing demand for a shopping center was evident.

In the minds of Hugh Prather, of Flippin and Prather, and James B. Cheek, architect, the shopping village

was the only solution. They went to Europe to study designs. At Barcelona, where the Exposition of Spanish Provinces was in progress, they found village layouts which could be adapted to their needs.

Several months later they launched a building program which, on completion, will cost approximately a million dollars. So far, one unit of the Spanish hacienda shopping village has been completed. Ultimately it will include 75 shops, grouped around an inner rectangular court. In the center of the court the inner rows of shops will face each other and open upon a narrow stepped street. Two wide entrances will lead from the court into adjoining streets, and parking facilities will be provided for 700 cars.

—A. C. COGSWELL

TRANSPORTING THE ESSENTIALS OF LIFE

WHAT WILL BE THE GREAT DISCOVERY OF 1931?

IN 1892 America's first gasoline automobile chugged up the street. People predicted that it would never amount to anything. But from this "horseless buggy" there developed an industry with 1930 sales over \$2,000,000,000.

The General American Tank Car Corporation has been an indispensable aid to the development of the automotive industry. Its vast fleet of tank cars has made possible the economical distribution of petroleum products which has been essential to the wide-spread use of the automobile.

IN 1900 Count Ferdinand Von Zeppelin's strange cigar-shaped contraption rose into the air. Since then zeppelins have proved their reliability in crossing the Atlantic. Today the United States Government is completing the Akron, the largest airship ever built.

When this ship is launched, its huge bag will be filled with Helium gas—brought to Akron in a General American constructed car. Before this car was built, helium could only be carried at great cost in small cylinders . . . and the helium car today has become an important factor in the economical operation of American dirigibles.

IN 1913 The mechanical silk worm had been struggling for years, but had not gotten very far. Yet, in 1926, when 62,575,000 pounds of rayon were produced, artificial silk was rapidly becoming as common as cotton.

A chemical essential to rayon manufacture is caustic soda which must be of low iron content or it discolors the rayon. To avoid iron contamination, such as frequently resulted when caustic soda was shipped in bulk, General American built a nickel-lined car which delivers liquid caustic soda to the rayon factory in a pure condition. This invention alone saves rayon producers hundreds of thousands of dollars annually.

IN 1925 Mechanical refrigerators came into general use. Today such refrigerators are common. These modern ice chests use many refrigerants . . . ammonia, iso-butane, methyl chloride, sulfur dioxide, dichlorodifluoro methane. Rapid development of mechanical refrigeration necessitated a large and economical supply of these liquefied gases.

To meet the demands of this industry, General American constructed special high-pressure tank cars which transport these refrigerants. In this way, tank cars have aided in the development of another great industry and General American has helped bring mechanical refrigeration to the American home.

IN 1931 Who knows what the great discovery will be? Yet, possibly one will be made . . . as far-reaching in its consequences as many of the major discoveries of the past thirty years. The great discovery of 1931 may create a demand for some new railroad car. And, when the new car is needed, you can be sure that General American will build it.



GENERAL AMERICAN TANK CAR CORP.
A RAILROAD FREIGHT CAR FOR EVERY NEED

ONLY SUCCESS

**KNOWS
how many
relatives
it has!**

STAY UNKNOWN, and the circle of those who claim relationship with you is small. Become successful—the mails and wires are crowded with messages from unknown kinfolk of doubtful standing. Your every action is closely scanned and often emulated by those who would gain from your achievements, who seek a share in your success.

As it is with man, so it is with a product. Because genuine Puddled Iron has made the word "iron" a synonym for *endurance*—because genuine Puddled Iron has established a record for superlative service—the markets are crowded with substitutes claiming to perform the same service equally well... claiming to be "just as good" as the original.

While metal after metal, coming on the market, has tried to cloak itself in the mantle of iron, yet, since the invention of the iron puddling process in 1780, there has been only *one* kind of genuine Puddled Iron—the kind that Reading makes today, as it has for 83 years.



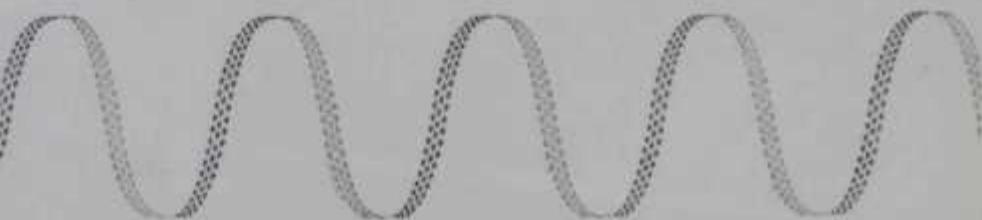
Today, you can buy pipe made of this "iron" or that "iron." But when you want the long life, lightness and strength that only genuine Puddled Iron Pipe gives, look for the Reading *indented* spiral on every length of pipe you buy. Then you will know you are getting the *same kind* of pipe that has established iron's unfaltering service in the minds of men. Send for our free booklet "The Low-down on the Pipe Business." It will give you valuable information about the installation and use of Reading genuine Puddled Iron Pipe.

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READING PUDDLED IRON PIPE

Science and Invention Have Never Found a Satisfactory Substitute for Genuine Puddled Iron

SINCE LAST WE MET

A Business Record April 10 to May 9

APRIL

10 · RAILROAD earnings at less than 2 per cent for February and March.

SEVEN largest sugar-exporting countries, including Cuba, agree on five-year limitation of exports.

11 · SOVIET cotton production to be 80 per cent greater than last year, if present plans succeed. American imports expected to suffer.

SECRETARY WILBUR tells governors of oil-producing states Federal Government will support interstate agreement.

12 · BONUSES to General Motors employees in stock during past 13 years estimated at \$250,000,000.

SOVIET trade here drops 44 per cent in first six months, off \$27,000,000.

13 · CITIES SERVICE scores big gain for 1930, with net of \$85,000,000.

AGREEMENTS between Standard Oil and other companies for use of gasoline cracking process not antitrust violation, Supreme Court decides.

14 · NIAGARA FALLS power to supply New York City, says Chairman Carlisle of Niagara Hudson.

TWENTY textile mills in the Carolinas in \$10,000,000 merger, 300,000 spindles.

15 · NEW LIFE insurance down 12.2 per cent in first quarter.

BETHLEHEM STEEL management apparently victorious in fight to uphold bonus system.

BANKERS do not seek lower wage level, Rome C. Stephenson tells American Bankers Association.

DYE CENSUS, made public by Tariff Commission, shows domestic producers control U. S. market.

LEAD PRODUCERS agree to cut production 15 per cent.

CRITICAL seeding situations, due to drought, in Canadian prairie provinces; our Northwest also very dry, survey shows.

17 · RETAIL prices of foodstuffs down 16 to 50 per cent, chain groceries tell Senate Food Committee.

FOREIGN trade for March jumps \$50,000,000.

CHEVROLET March sales up 48 per cent over February.

18 · GUGGENHEIM nitrate units join with new \$750,000,000 Chilean nitrate monopoly.

MANHATTAN COMPANY, financial holding company, founded in 1799 to supply New York with water, restored to original charter rights.

19 · FEDERAL Employment Bureaus now operating in every state, says Secretary Doak.

\$60,000,000 Morgan loan to Spain rescinded.

THE *Sir James Clark Ross*, largest whaling vessel, docks in New York with 55,000 barrels of oil. Value, \$1,500,000, a record haul.

20 · U. S. STEEL Corporation ratifies new pension plan calling for compulsory retirement at 70.

FARM BOARD decides to sell wheat surplus abroad, taking loss. Dumping to be avoided.

21 · \$891,000 recapture from Richmond, Fredericksburg and Potomac ordered by Interstate Commerce Commission.

PRESIDENT ATTERBURY of Pennsylvania Railroad tells Philadelphia bankers present tariff walls are too high.

22 · LABOR FEDERATION President Green urges cancellation of war debts.

23 · LARGEST AUSTRALIAN bank closes doors.

RAILROADS not to cut wages, Secretary Doak announces.

PYNCHON & COMPANY, one of the country's largest financial houses, suspended by New York Stock Exchange.

26 · FAVORABLE developments in Brazil raise coffee futures, increasing value of world supply \$50,000,000.

450 FURNITURE manufacturers have failed since depression set in, survey shows.

TREASURY deficit equals total Federal Government expenditure before 1917, Department figures show.

27 · CYRUS S. EATON, Cleveland financier, quits as head of Continental Shares, Inc., important utility and industrial holding company formed to finance his enterprises.

28 · CHAMBER OF COMMERCE of the United States convenes at Atlantic City.

BANK failures cut 77 per cent in January and February.

WEST AND COMPANY is third stock exchange house to suspend for insolvency this year. Carried down by Pynchon failure.

NO INCOME tax rise asked by Snowden in budget speech. His proposals well received. Land nationalization seen.

MATTHEW WOLL, Labor Federation vice president, advocates resort to force in opposing injunctions.

CYRUS EATON and associates reelected to Sheet and Tube board.

SQUIBB profits up despite 5-day week, with wages maintained.

29 · STEEL CORPORATION report shows 5 cents a share earned for first quarter. Regular \$1.75 dividend maintained. Other stocks slump on news.

EMPIRE STATE Building, world's tallest, opened by President Hoover, who congratulates Al Smith on completion.

MAY

1 · BOWERY SAVINGS BANK announces maximum limit of \$1000 for first three months on net accounts.

3 · CITY OF BERLIN sells utility ownership to bankers for \$132,000,000 and other considerations.

INTERNATIONAL CHAMBER OF COMMERCE convenes for sixth congress at Washington.

GEORGE F. BAKER, 91, veteran chairman of First National Bank, dies.

4 · TOBACCO tax collections for the first nine months decline \$4,760,000.

STOCK EXCHANGE loans down to all-time low at \$1,651,000,000.

8 · NEW YORK rediscount rate reduced to 13½ per cent, lowest on record.

12½ PER CENT reduction in cotton acreage seen by Farm Board.

9 · BUMPER winter wheat crop predicted by Department of Agriculture.

The Map of the Nation's Business

By FRANK GREENE

Editor, *Bradstreet's*



DESPITE the generally disappointing aspect of trade and industry in April, there were several favorable factors apparent. These included gains in automobile production and activity in the textile industries

IT WOULD be idle to say that the April trade and industrial exhibit was not disappointing. Such words as "spoty" and "irregular" appear in the reviews of that period. For one thing it was demonstrated that the business community is still "stock-market conscious." The sight of the stock-market averages falling below those of last December—the lowest, in fact, for rails since April 1925 and for industrial stocks since June 1926—left a bad taste in the mouth of business. The other big unfavorable event was the renewed weakness in the commodity-price index, some of this a reecho of the stock market's action.

The wheat market only temporarily responded to the unfavorable feeling and throughout April and most of May, seemed to cut loose from the other grains and indeed from prices as a whole. This product no doubt also reflected the reports of dry weather in the Northwest, of reduced acreage in the Northwest and Canada, and of the evidences of buying by countries which had cut their estimates of domestic supply too fine. In addition there was a feeling of relief that the Farm Board would not attempt to regulate prices of the new crop.

All the news of the month under review was not unfavor-



Retail trade, due largely to warm spring weather, maintained a relatively better rate in April than was shown in either wholesaling or manufacturing

A
*Remarkable
Development*



**A New Burroughs that Accumulates
20 SEPARATE TOTALS
in one column or separate columns**

Distributes items to as many as twenty separate classifications . . . prints totals of each classification . . . and prints a grand total of all. No relisting. No copying from totalizers. Each item is printed as it is distributed to its proper classification. Each of the twenty accumulating registers has a capacity of twelve digits.

With this Burroughs Typewriter Accounting Machine a distribution on a wide columnar journal is rapidly and accurately prepared at the same time that any kind of ledger account is being posted.

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THE constantly cool, refreshing drinking water supplied your employees by the General Electric Water Cooler pays year 'round dividends in contentment, health and a higher degree of personal efficiency.

Now General Electric Water Coolers carry a complete guarantee against service costs for at least 3 long years!

Low purchase price—favorable terms—freedom from upkeep expense represent definite savings. And only a minimum of power is consumed by the General Electric's specially designed—sealed in steel—perpetually self-oiling motor.

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Milk Coolers

able. Favorable factors included the moderate gain over a year ago shown in the March automobile output, followed by a further gain in April; the fair amount of activity shown in the cotton-goods industry; the record-breaking sales of broad silks reported for March and the first quarter, and the good-sized gain over a year ago shown by woolen and worsted mills in consumption of raw material in March—a gain which followed a fractional increase in February.

Most encouraging of all, due to warm spring weather throughout a good part of April, was the maintenance of retail trade at a relatively better rate than was indicated in wholesaling and in manufacturing. The bulk of what pre-Easter buying was done this spring had of necessity to be put through in March, whereas a year ago the late date of

Easter threw a good deal of this sort of buying into April. This tends to cloud the comparisons.

Without attempting to make any predictions about stock or commodity prices, it might be well to remember that there is already evident a trimming down of the percentages of decrease shown in most trade and industrial lines from a year ago. This, except in the instances of actual gains in textile operations, is not due to expansion this year so much as to the fact that comparisons from now on will tend to be with thinner totals of volume a year ago.

And in this present period of thirst for statistics, the smaller decreases to be shown henceforth should have some "psychological" if no other real value. There is a perceptible reduction in the

BUSINESS INDICATORS

Latest Month of 1931 and the Same Month of 1930 and 1929
Compared with the Same Month of 1928

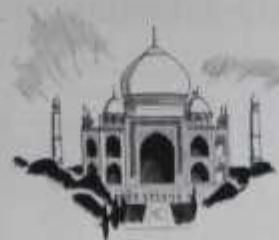
	Latest Month Available	Same Month 1928=100%		
		1931	1930	1929
<i>Production and Mill Consumption</i>				
Pig Iron	April	63	100	115
Steel Ingots	April	61	92	111
Copper—Mine (U. S.)	March	69	87	133
Zinc—Primary	April	54	81	102
Coal—Bituminous	April*	84	105	108
Petroleum	April*	99	107	111
Electrical Energy	March	110	115	112
Cotton Consumption	March	86	91	114
Automobiles	April*	78	104	145
Rubber Tires	March	70	74	108
Cement—Portland	March	80	110	98
<i>Construction</i>				
Contracts Awarded—37 States—Dollar Values	April	50	72	96
Contracts Awarded—37 States—Square Feet	April	40	58	87
<i>Labor</i>				
Factory Employment (U. S.) F.R.B.	March	81	96	105
Factory Pay Roll (U. S.) F.R.B.	March	73	96	108
Wages—Per Capita (N. Y.)	March	94	101	102
<i>Transportation</i>				
Freight Car Loadings	April*	80	97	107
Gross Operating Revenues	March	74	90	102
Net Operating Income	March	51	67	107
<i>Trade—Domestic</i>				
Bank Debts—New York City	April*	65	92	115
Bank Debts—Outside	April*	82	99	109
Business Failures—Number	April	131	121	111
Business Failures—Liabilities	April	134	129	93
Department Store Sales—F.R.B.	March	95	96	110
Five and Ten Cent Store Sales—4 Chains	April	113	114	102
Mail Order House Sales—2 Houses	April	128	140	139
<i>Trade—Foreign</i>				
Exports	March	56	88	116
Imports	March	55	79	101
<i>Finance</i>				
Stock Prices—30 Industrials	April	74	136	145
Stock Prices—20 Railroads	April	64	107	106
Number of Shares Traded	April	59	125	86
Bond Prices—40 Bonds	April	96	96	95
Value of Bonds Sold	April	72	87	68
New Corporate Capital Issues—Domestic	April	45	78	57
Interest Rates—Commercial Paper, 4-6 Months	April	54	88	133
<i>Wholesale Prices</i>				
U. S. Bureau of Labor Statistics	March	78	95	102
Bradstreet's	April	66	81	94
Fisher's	April	75	91	98
<i>Retail Purchasing Power, 1923=100%</i>				
Purchasing Power of the Retail Dollar	Mar. 1931	112	102	
Purchasing Power of the Clothing Dollar	Mar. 1931	120	104	
Purchasing Power of the Food Dollar	Mar. 1931	116	97	
Purchasing Power of the Rent Dollar	Mar. 1931	118	110	

* Excludes Boston, Cleveland, Chicago, Los Angeles, Phila., Detroit, San Fran., and New York.

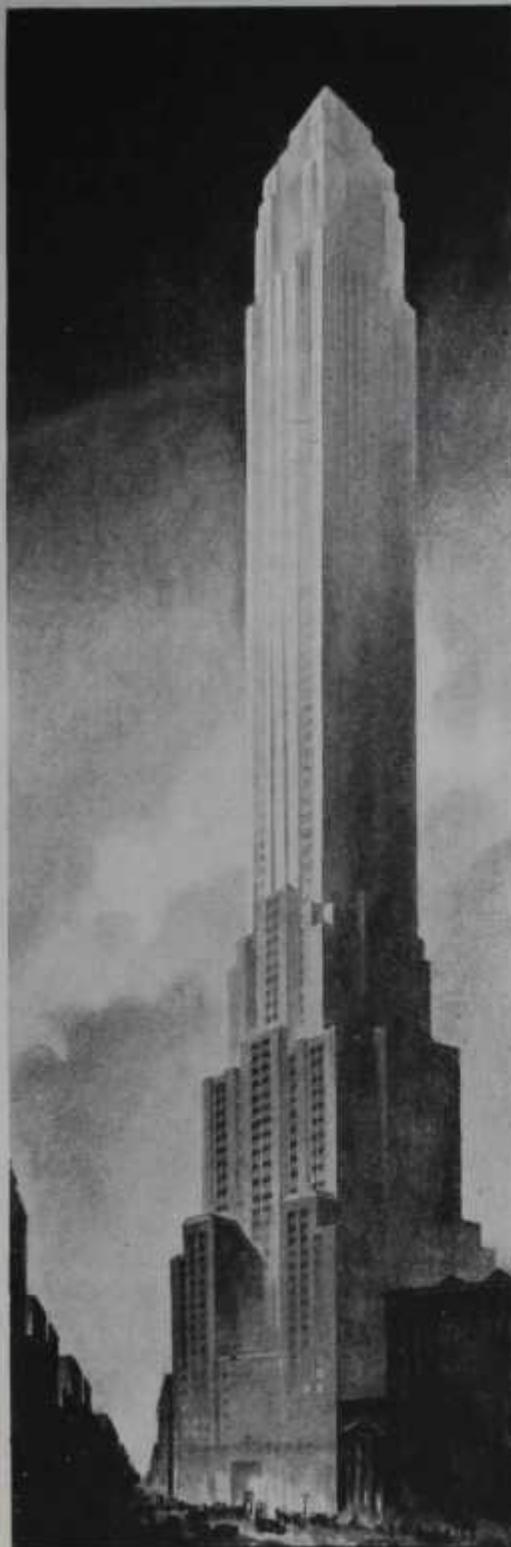
† Preliminary.

Prepared for Nation's Business by General Statistical Division, Western Electric Co.

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in the world!



BENJAMIN FRANKLIN
Founded Mutual Insurance
in 1752

It's not the Taj Mahal, nor the Leaning Tower of Pisa, nor the newest skyscraper. No—these are fascinating each in its own way. But the most interesting building to you is that one you own—that house—apartment—shop—factory—office building.

Naturally, anything that affects the cost of maintaining your building concerns you. And there is a way to reduce one important item of overhead cost—through mutual fire insurance.

It is not a new method. In fact, ten generations of Americans, over a period of one hundred and seventy-eight years, have benefited by it—and today American property to the value of over thirty-one billions of dollars is protected by it.

Mutual fire insurance corporations are operated for and by their policyholders. There is no other group to

benefit by the success of the company. For instance, there are no stockholders. Standard premium rates are charged, but a part of the premium is returned to the policyholder at the end of the policy period, as a dividend. This effects a considerable reduction in cost.

The loss paying ability of mutual fire companies is carefully maintained through legal and voluntary reserves—through conservative, sound management.

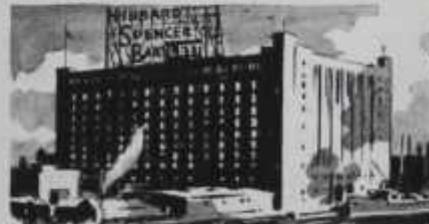
Mutual fire service to policyholders includes skilled engineering advice to prevent fire—saving the individual policyholder the uninsurable losses that attach to any fire—saving company loss to make possible the return of a substantial part of the premium to all policyholders.

Any property owner will find interest and value in our booklet "Mutual Fire Insurance." Write for it today. Address the Federation of Mutual Fire Insurance Companies, 180 North Michigan Avenue, Chicago, Illinois.

Keeping Hardware Overhead Down

In every state, leading retail and wholesale hardware establishments are insured against fire in mutual corporations.

Hibbard, Spencer, Bartlett & Co., Chicago, one of America's largest wholesale hardware companies, established in 1855, has been a mutual fire policyholder for many years. No other form of fire insurance is carried on their modern concrete and steel distributing plant.

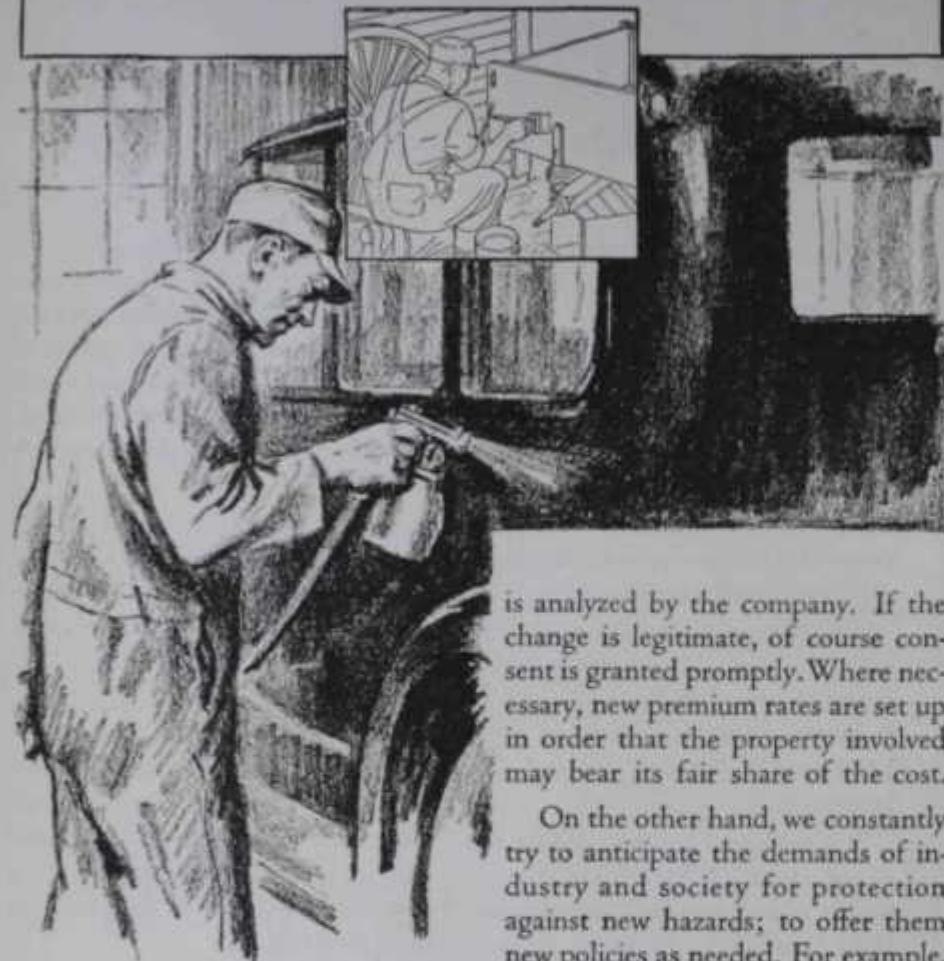


MUTUAL FIRE INSURANCE

An American Institution

Nation-wide Representation and Service

Change brings new problems for property insurance



is analyzed by the company. If the change is legitimate, of course consent is granted promptly. Where necessary, new premium rates are set up in order that the property involved may bear its fair share of the cost.

On the other hand, we constantly try to anticipate the demands of industry and society for protection against new hazards; to offer them new policies as needed. For example, the Agricultural was among the first to offer aircraft damage policies—protection against the dangers attendant on the rapid growth of this new industry. It has always been our belief that it is our duty as well as our business to supply every reasonable protection as soon as the need is apparent.

The Agricultural Agent is a vital part of a system which aims to conserve and protect your property. Call him or write us for his name. He will be glad to discuss the broad subject of insurance and to answer any specific questions about protecting your property.

Agricultural
Insurance Company.
of Watertown, N.Y.

THESE AGRICULTURAL POLICIES ARE AVAILABLE TO ALL PURCHASERS

Fire - Parcel Post - Automobile - Marine - Use and Occupancy - Rent and Leasehold - Windstorm - Floater
Aircraft Damage - Sprinkler Leakage - Earthquake - Explosion and Riot - and other property coverages

number of failures and, presumably in the future, these may also reveal a slight attenuation of the percentages of increase shown month after month since December 1929.

As regards retail trade the very low prices paid for farm produce seem notably reflected in the purely mail-order sales as opposed to chain-store sales, which are presumably made mainly in cities and towns. Mail-order sales for April showed a decrease of nine per cent from a year ago, whereas chain-store sales showed a loss of two per cent. The two combined showed a decrease of four per cent from a year ago as against a decrease of 4.2 per cent in March, 6.2 per cent in February and 3.2 per cent in January.

A majority of the early reporting chains showed gains over April a year ago in value. For the first four months of 1931, mail-order stores reported a decrease of 11.3 per cent, chains a decrease of three per cent. The two combined showed a decrease of five per cent as against 3.7 per cent gain a year ago and 24 per cent two years ago. Department-store sales in April decreased nine per cent as against three per cent in March and eight per cent gain in April a year ago, which last reflected Easter buying. For the four months, department stores reported eight per cent decrease as against four per cent decrease a year ago for the like period.

Bank clearings are steady

IN FINANCIAL measures of movement bank clearings for April fell 21.4 per cent below a year ago. Clearings for the first four months of 1931 fell 21.5 per cent below those for the first quarter of 1930. Bank debits dropped 26.7 per cent from a year ago, both for the five weeks of April and the first 17 weeks of the year. Such unanimity in percentages of bank operations is rarely seen. New England is conspicuous for its relatively small decline in clearings, 12.8 per cent for the month of April, while other areas report decreases ranging from 19 to 25 per cent.

Issues of corporation securities fell 38 per cent and state and municipal bond issues 24 per cent for the four-months' period as compared with a year ago. Sales of stocks on the New York Stock Exchange decreased 16.3 and 10.2 per cent respectively for April and the four months, whereas bond sales decreased 51 and 33 per cent for the same periods.

Among the industries, steel production decreased in percentage of capacity

THE first Hundred Years



"If you can't have your grocery on a corner," said Samuel Pierce to Eldad Worcester in the year 1831, "don't have one at all."

You should see the S. S. Pierce Co.'s "corner stores" in Boston today! Annual sales running into millions—50,000 active accounts—deliveries made by a fleet of 82 motor trucks—in short, store-keeping on a scale that would have frightened either Samuel or Eldad.

Centennial year this year for S. S. Pierce—and for the International Harvester Company. And this makes doubly interesting the fact that Boston's historic grocery uses a Harvester product—International Trucks.

They are trucks of quality and efficiency—with these one hundred years of manufacturing experience and service behind them. They have to be to meet the rigid standards of the S. S. Pierce Co. They must prove their worth on a "cost per stop" basis—and they do it!

They'll prove themselves for you, too! And that statement stands whether or not your trucking prob-



Delivery service of the little corner grocery was by wheelbarrow in 1831. A far cry from the service rendered by these Internationals in 1931.

lems have a single point in common with those of the S. S. Pierce Co. Internationals today are meeting every conceivable kind of trucking problem. They recommend themselves to any size of business or any type of industry, through operating cost and upkeep that is uncommonly low. They clinch the matter by providing extra speed and extra stamina—and striking good looks.

Experience privileges us to make this unqualified statement: whatever tests of performance or economy you may apply to trucks—an International will come through with colors flying. Try one on your own job—and see!

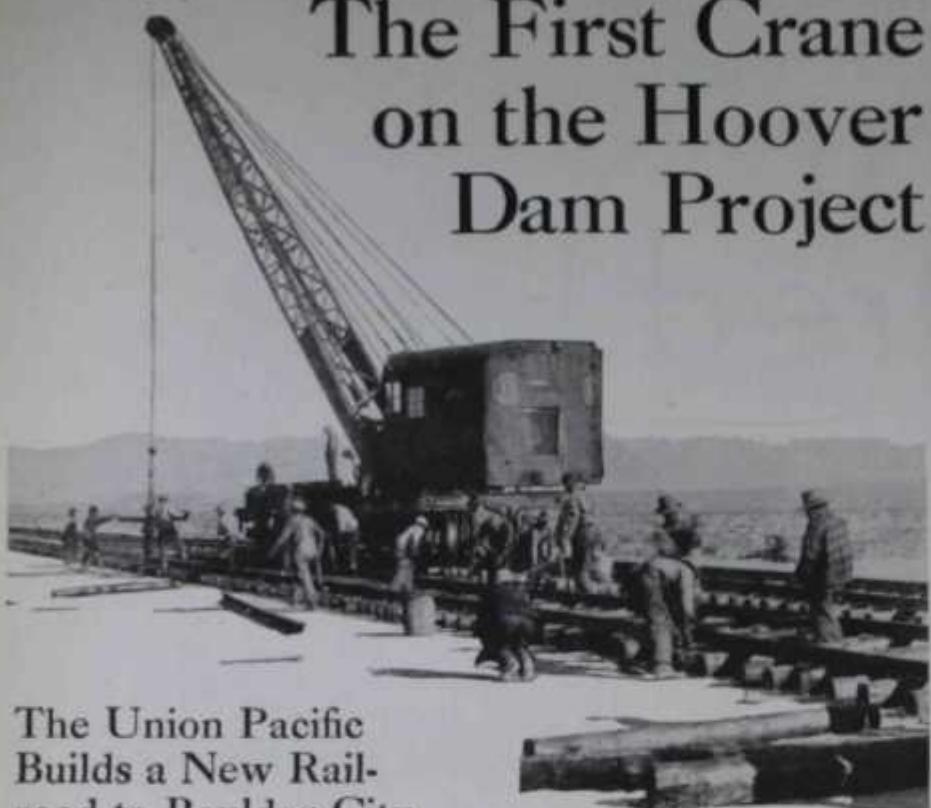
A full line of trucks from $\frac{1}{4}$ -ton to 5-ton. One of the 183 Company-owned branches in the U. S. A. and Canada, or any International dealer, will demonstrate them to you—and service them for you in the same exceptional manner with which International Trucks perform.



INTERNATIONAL HARVESTER COMPANY
606 So. Michigan Ave. OF AMERICA (INCORPORATED) Chicago, Illinois

INTERNATIONAL TRUCKS

The First Crane on the Hoover Dam Project



**The Union Pacific
Builds a New Rail-
road to Boulder City**

The building of a 22-mile railroad across the Nevada desert to Boulder City was the first unit let on the Hoover Dam project. This contract was awarded to the Union Pacific Railroad and the illustration shows their first equipment to go over the rails—a No. 5 Industrial Brownhoist gas locomotive crane.

Laying ninety-pound rail, this Industrial Brownhoist averaged a mile a day for the last half of the work. In one eight-hour day 5680 feet were laid and this record could have been increased by several hundred feet had the rail been available.

Ask any Industrial Brownhoist owner, and there are thousands of them, about the uninterrupted, low cost handling service obtained from these cranes. Their universal reply of satisfactory performance is the reason, of course, why these cranes are seen wherever important jobs are under way. It is the reason, too, why you would find an Industrial Brownhoist a big money saver on your own handling work.

Industrial Brownhoist Corporation, General Offices, Cleveland, Ohio

District Offices: New York, Philadelphia, Pittsburgh, Detroit, Chicago, San Francisco, New Orleans

Plants: Brownhoist Division, Cleveland, Ohio; Industrial Division, Bay City, Michigan;

Elyria Foundry Division, Elyria, Ohio

operations from 57 in late March to 48 in early May. April production dropped 33.7 per cent from a year ago as against a March decrease of 29.6 per cent.

For four months production was 34 per cent off from a year ago and 43 from two years ago. Pig-iron production for four months was 36.5 per cent below last year and 44 per cent off from two years ago.

Softwood lumber production for four months was about a third below 1930 while hardwood output was 46 per cent off. Petroleum production was 15 per cent below last year, soft coal production 17 per cent, copper 20 per cent, lead 22 per cent, cement 25 per cent and zinc 35 per cent below a year ago.

Automobile production for April was about 18 per cent above March but 30 per cent below April last year, with the year to date showing about the same percentage of decline.

Among manufacturing lines, cigarettes showed a gain of about one per cent for the year to May 1, cotton-cloth sales four per cent, and silk consumption between three and four per cent. Raw-wool consumption gained 8.7 per cent over March a year ago while the decrease for the first quarter was only five per cent. Wool consumption in March was the largest of any month since October last. Cotton consumption was about 13 per cent below a year ago.

Fewer failures than March

FAILURES in April showed a daily average of 72 as against 75 in March, 81 in February and 99 in January. In number they gained 7.6 per cent over a year ago, whereas they were 6.4 per cent fewer than in March. For the four months they were 14 per cent in excess of a year ago. For both the month and the four months they were the greatest in number ever reported. Liabilities for April were a little over double a year ago while for the four months they were 78 per cent in excess of 1930 and 69 per cent ahead of the hitherto record year 1924, when bank failures were numerous.

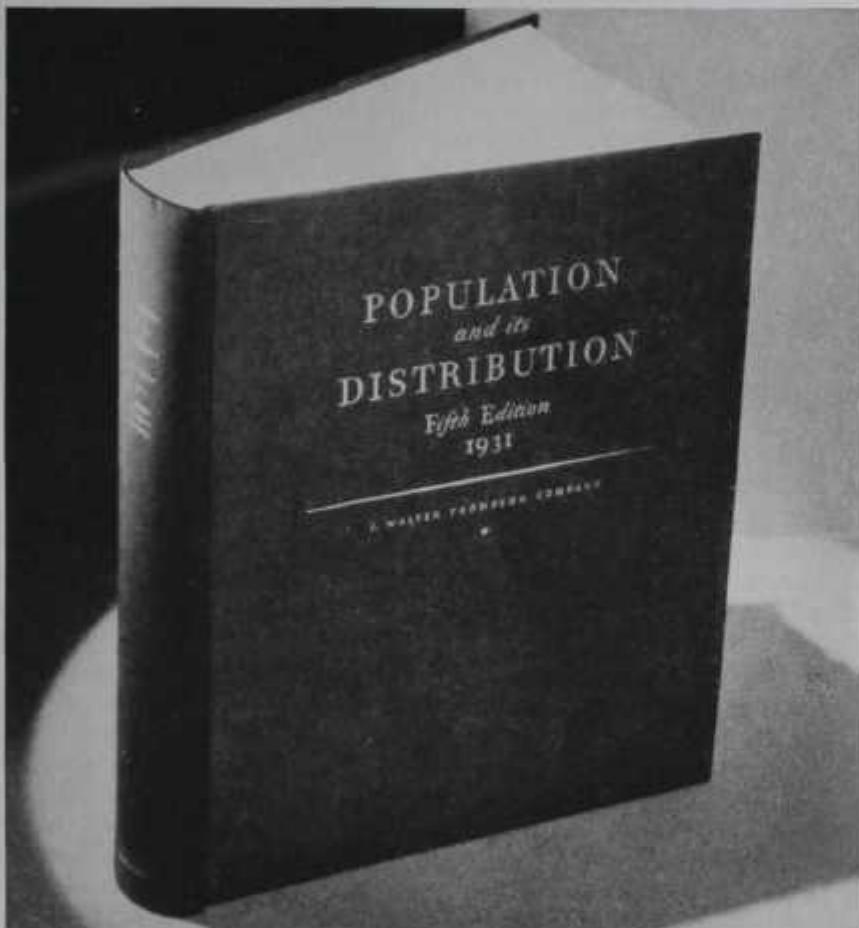
Commodity prices, as indicated elsewhere, showed a remarkable downturn in April, Bradstreet's Index showing a decline in the month of 3.4 per cent, a proportion of decline only exceeded once since the Index began to drop sharply in October 1929. As the stock market in April closely imitated its action in October 1929, reaching the lowest points since 1926 and 1925, it is probably safe to argue that these two barometers of movement are fairly well in accord.

INDUSTRIAL BROWNHOIST

Where they Live

What they earn . . . Where they shop

Information vital to your sales program ready in the new edition of "*Population and its Distribution*"



640 pages · size 8½ by 11 inches · 90 pages of maps · bound in maroon cloth over board

A NEW EDITION OF "*Population and its Distribution*," the widely known analysis of population from the standpoint of sales problems, is now off the press with figures from the 1930 census, the latest analyses of income tax returns, and new information on retail shopping areas.

To the sales or advertising executive, this volume is indispensable for time-saving and effective planning. The tabulations here exclusively presented throw new light on every phase of the 1930 census population figures. The information on retail shopping areas represents original research, and is not to be found elsewhere.

Where they live—what they earn

—where they shop—only with this knowledge can the present need of economy in sales effort be met.

"Population and its Distribution," 5th Edition, has been published for the authors—J. Walter Thompson Company—by Harper & Brothers and is obtainable direct from J. Walter Thompson Company, 420 Lexington Avenue, New York. The price is \$10. The book may be returned within 5 days, and your money will be refunded. The coupon is for your convenience.

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In this book are . . .

1 For each state, the number of people—families—individual Federal income tax returns—farms—home telephones—residential lighting customers—passenger automobiles costing under \$1000 and automobiles costing over \$1000.

2 Complete list of counties in the United States, showing population, number of individual Federal income tax returns, number of people in each county per tax return, automobiles costing under \$1000, and automobiles costing over \$1000.

3 State lists (with maps) showing 681 well-defined retail shopping areas—with the center and sub-centers of each—the population of the areas—the population of the centers—the number of individual Federal income tax returns for each—the number of people per tax return—and the number of leading department stores.

4 A table grouping these 681 retail shopping areas, according to the size of the retail shopping centers to which they are tributary. (A glance at this table shows, for example, that there are 13 areas tributary to centers of more than 500,000 population, and that these areas account for 28% of the total population of the country. On the other hand, there are 438 areas tributary to centers of less than 25,000 population—these areas containing 22.7% of the total population.)

5 A table giving the number of cities and towns in various size groups, and the number of people in each group—with the relation of each size group to total population of the country. (This table shows, for instance, that the 5 cities of 1,000,000 or over have a combined population of 15,064,555 which is 12.3% of the total population of the country; while the 1,332 towns between 2,500 and 5,000 in size have a combined population of 4,717,590, which is only 3.8% of the total population of the country.)

6 Population and group totals for 11 size groups of cities and towns, in every state. (For instance, if you should decide to cover all cities of 25,000 or more in certain states, your lists are here ready.)

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Please send me _____ copies of "*Population and its Distribution*," 5th Edition at \$10 per copy. I am privileged to return the book within 5 days, and my money will be refunded.

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The A.W.A. Can Be Your Branch House in 189 Cities

WOULD you like to increase your sales, improve service to your customers and at the same time cut your distribution costs? Read what G. W. Horstmann, of the Colgate-Palmolive-Peet Company, says about public warehouses in distribution:

"We have been using public warehouses for a great many years in the distribution of our products. The service available through these institutions, organized on the proper basis, would be very difficult to duplicate where goods are distributed in a national way. Except in the larger cities, the volume as a rule does not justify the development of a separate organization by a Corporation to handle the service; and there is no other way I know of that this work could be carried on as economically or as efficiently as through public warehouses.

"We have also effected economies by shipping cars into these locations and distributing in smaller lots. To any firm whose sales policy requires service with the utmost of economy, I could not think of any better place through which to operate than the up-to-date, efficiently-operated, commercial warehouses.

"This method is flexible, serving in large or small quantities with equal efficiency and economy."

A full description of the AWA Plan of Distribution (as used by Colgate-Palmolive-Peet and other famous national concerns) is given in our 32-page booklet, sent free on request. Write today for your copy.



**AMERICAN
WAREHOUSEMEN'S
ASSOCIATION**

1881 Adams-Franklin Bldg., Chicago, Ill.

Turning Kilowatts into Votes

(Continued from page 23)

of current were one-third of the gross revenue, about 666 million dollars. It is hard to believe that in this sum you can find hundreds of millions squeezed out of 20 million customers.

It is still harder to believe that they are being exploited when you read the figures recently reported by the Bureau of Labor Statistics of the United States Department of Labor which show that since 1913 the price of electricity has declined 18.5 per cent, while in the same period all other necessities show increases varying from 8.1 per cent for miscellaneous items up to 88.3 per cent for house-furnishing goods. This figure for the cost of electricity is based on the average price of 20 kilowatt hours used each month by householders in 32 major cities. Figures compiled by the National Electric Light Association, which cover all residential use, below as well as above 20 kilowatt hours a month, show a decrease since 1913 of 30 per cent in the average prices of electricity.

The fact is that the customer controls the price of current. The more he uses, the cheaper it will be. No utility whose management is intelligent or public spirited wants to keep rates higher than they need to be to maintain the company in sound financial position. I think most managements are intelligent and a large proportion are public spirited.

Maximum rates poor business

YOU have heard and read much about the attitude of utilities in insisting on the ultimate dollar of their legal rate of return. That is seldom the case. It occurs only when a company must go into court to protect itself against the imposition of confiscatory rates. Most of them could legally justify, on the value of their properties, rates higher than they charge but it would not be good business to do so. It would stop, or at least lessen, growth of the business and antagonize customers and authorities.

I know of no subject about which more misinformation is circulated than the subject of electric rates. A favorite argument of those who urge government ownership is that electric utilities charge preposterous rates, while the government-owned system in Ontario serves householders for two cents a kilowatt hour. This is all very well until you dig down and get at the facts.

Whether rates are too high or too low

depends upon the cost of supplying service, and this in turn depends upon the kind and quality of service and the conditions under which it is supplied. To compare rates alone, without these other factors, is inaccurate and misleading.

Some unconsidered factors

RESIDENTIAL service in the Canadian government-owned and operated system costs the user on the average from 1.5 cents a kilowatt hour in Toronto to 12 cents or more in small communities. But the current is of the 25-cycle alternating type, quite satisfactory for power use, but practically abandoned in the United States for general household use which includes lighting. In Toronto a certain amount of direct current and 60-cycle alternating current—the types of electricity used here for residential service—is supplied. The rates for this service are not published, but the price averages 3.2 cents a kilowatt hour—or more than twice the average for the 25-cycle current, which is the figure so much talked about when the critic compares the two systems. Do the advocates of government ownership ever mention this higher price? I have never heard it.

Nor do you ever hear much about the fact that the Government loses money in any branch of the electric business. The mayor of Toronto, in 1928, declared that "one branch of the service, namely the 25-cycle, alternating current, domestic service, has been operated at a loss because the cost thereof is greater than the proceeds."

Who pays that loss? The storekeeper and the manufacturer make it up in their rates if, as is claimed, the entire business pays for itself.

The fairest comparison between utilities service in Ontario and the United States is that between the systems on either side of the river, each drawing power from Niagara Falls. The Companies on our side also operate a steam station which produces power at a higher cost than water power and have other costs higher than in Canada.

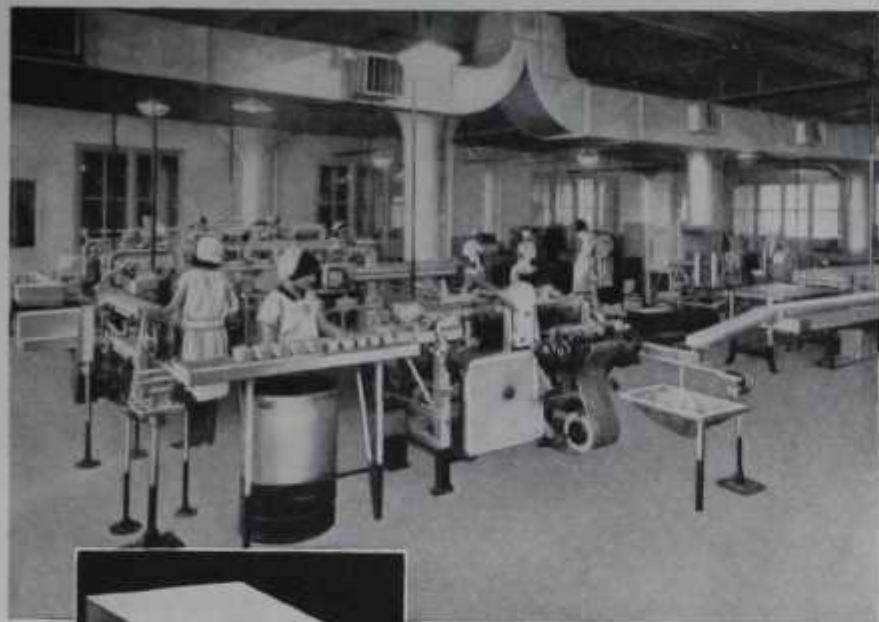
American current is cheaper

THE provincial and municipal commissions in Ontario, in 1928, sold 3,280,574,009 kilowatt hours of electricity at an average price of .95 cent a kilowatt hour. That same year the American companies in the Niagara Hudson

» » Cutting packing costs on

IPANA
Sal Hepatica
Ingram's
Shaving Cream

*all products of
Bristol-Myers Co.*



A section of Bristol-Myers wrapping department. The wax-wrapping machine in the foreground encloses the cartons in waxed paper, and the packages are then fed into the bundling machine, operated by the girl at the extreme left of the picture.

Bristol-Myers wrapping department furnishes an interesting example of how wrapping machinery can help to meet a trade condition economically.

In recent years retail druggists have shown a decided preference for small-lot purchases, making it necessary to pack goods in dozen and half-dozen lots. Under these circumstances, the old method of packing the goods in display boxes proved expensive.

With the introduction of one of our bundling machines, which wraps a dozen or half-dozen packages in strong kraft paper, the Bristol-Myers Company effected an immediate saving of 46%. Orders for more machines followed in quick succession, and now this Company operates a battery of our machines to bundle Ipana, Sal Hepatica and Ingram's Shaving Cream (both tubes and jars).

Today our bundling machinery is recognized as "standard equipment" in the drug manufacturing field.

This is but one example of the various wrapping tasks performed by our machines. No matter what the nature of your wrapping problem may be, bring it to us—*solving problems built our business.*

PACKAGE MACHINERY COMPANY
Springfield, Massachusetts

NEW YORK

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LOS ANGELES

LONDON: Baker Perkins, Ltd.



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Over 150 Million Packages per day are wrapped on our Machines

Stick to Old Friends

ABOUT the only thing you need look for in selecting a lower-priced bond paper is the watermark, "Management Bond—a Hammermill Product."

Those five words carry an assurance of dependability far more eloquent than pages of "selling arguments."

"Hammermill men make it"—what better recommendation?

Eight colors and white, in the full range of usual commercial weights. Your printer stocks Management Bond, or can get it for you promptly. Mail coupon now for samples.

Management Bond is made by Hammermill methods, by Hammermill-trained men, at Hoquiam, Wash., and is distributed by Hammermill Agents.



HAMMERMILL PAPER COMPANY
Erie, Penn.

Please send me the Portfolio of Management Bond, the lower-priced paper made by Hammermill men.

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Position _____

PLEASE ATTACH THIS COUPON TO YOUR OFFICE LETTERHEAD

When writing to HAMMERMILL PAPER COMPANY please mention *Nation's Business*.

group, which sell Niagara power chiefly, sold 3,630,809,558 kilowatt hours, at an average of .77 cent a kilowatt hour. The Canadian system pays about \$300,000 a year in taxes; companies here pay taxes of more than \$4,500,000.

If this comparison is to be taken as a test, government ownership is not doing as good a job as privately owned utilities. Canadian householders get a lower rate than those in this country—which is made up in the taxes and in the higher rates charged to manufacturers, who of course get their money back in the prices of their products. The ultimate consumer pays the bill.

This situation deserves serious attention because the Ontario Hydroelectric Commission is the model, so far as there is one, for the government ownership advocates here. They know the voters will not sanction any plan for the immediate taking over of the electric utilities of the country even if such a plan could be worked out; but they hope for and are working for a series of developments, owned and operated by the Government, at Muscle Shoals and Boulder Dam, as well as on the St. Lawrence and Columbia Rivers. Such systems, government-owned and operated, would gradually drive out private utility companies, and could be extended and eventually hooked up into a national system.

Two Presidents' warnings

THEY could be—if the people really want to foot the bills for a real Power Trust, politically operated. President Coolidge has said that government once embarked in business must become a monopoly in that business. President Hoover, in his Muscle Shoals veto, says that such a project as this would break down the initiative and enterprise of the people, destroy equality of opportunity, and be a negation of the ideals upon which our civilization is based.

Yet, if the American people want it, they will get it. The Power Trust, as the politicians now discuss it, is a myth; but government-owned utilities would be no myth: they would be a Power Trust under political operation, rendering a kind of service easier to imagine than to endure. It would be a political agency reaching into every town and hamlet in the country, dealing with every business and every home. What a machine for politicians to have under their hands! Can this country afford it?

I hope to see the issue decided. Not by way of smoke screens and impassioned speeches, but by exact statement and careful study of the facts.

Find the NIGGER in this Wood-pile!



HERE'S a manufacturing concern. We'll call it Hypothetical, Incorporated. Its officers are smart... the product is a knock-out... an excellent reputation is firmly established. Yet the company is not showing the proper profit!

"There's a nigger in the wood-pile somewhere," says the President, "but what is it?"

It is sad but true that even when all other contributing factors are right... *bad record-keeping methods* can still knock profits into a cocked hat! Yet business records are all too often the *last* thing to come under suspicion and scrutiny.

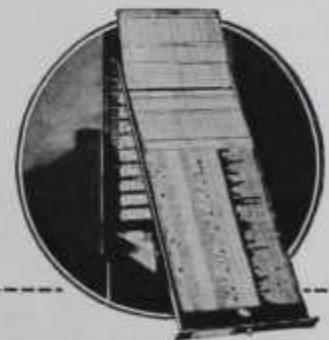
The only *profitable* way to keep records is on visible equipment. Then it is not just "record-keeping," but

record-using! Vital facts, instead of being merely hoarded, are kept in active, day-by-day use... constantly cutting down expense and increasing profits.

Acme Visible Records are the most advanced application of the visible equipment principle. Quickly installed and easily handled, they step up sales; reduce inventories; solve knotty production problems; cut down expense in every department from purchasing to accounting; and establish that departmental coordination which makes for profit increase.

A book of ours called, "Business Success and Contributing Factors" gives all the whys and wherefores. An Acme Man will make an individual analysis of your record needs... show

in detail what Acme Visible Records can accomplish for *your* business, and *how*, and *how soon*! Use the coupon for the free book. No obligation.



NB-8 II

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Acme Visible Records

PROFIT BUILDERS OF MODERN BUSINESS

Chain Stores Can Be Good Citizens

By RAY DOVELL

DECORATIONS BY HARRIS D. MCKINNEY

T WAS at an informal town council meeting that the matter was brought up. They were discussing a hospital drive and the all-important question centered on the members of the committee to conduct the campaign. The name of Mr. Jones was mentioned.

A tall, dignified man, one of the town's prominent citizens, stood up.

"This, gentlemen," he said, "is a campaign that concerns our city and our city alone. For that reason I doubt if Mr. Jones will fit in with our committee. I like Mr. Jones personally, but he is manager of a chain store. The money spent in his store goes to New York; he is here for one purpose, to make money for outsiders. He cannot give himself and he is not interested in what we, as home merchants, are doing for the city. I object to Mr. Jones."

Mr. Jones was not present. He was attending a good roads meeting five miles out in the country and, therefore, he could not reply.

But the young secretary of the chamber of commerce did reply instead.

"Do you know," he asked the dignified citizen, "that Mr. Jones' company contributed \$500 to the fund for the new hospital? Do you know that \$50 of this money that 'goes to New York' came back for the Christmas relief fund? Do you know that Mr. Jones is deeply interested in Boy Scout and Y. M. C. A. work and is a scoutmaster? Do you know that tonight he is speaking in favor of the bonding proposition for improved roads?"

The dignified one said he did not know. He said further that of course the



No community keeps all its money. Most of the cost of auto upkeep leaves town

"CHAINS care nothing about the towns where their stores are located except to take profits out of them," is a common cry. However, at least one chain doesn't believe this is a good policy. It believes it has a duty toward towns where it has stores. Here is how it meets that duty

secretary knew what he was talking about. Not only was he convinced; he was amazed. Mr. Jones, he confessed, had changed all his ideas concerning chain-store managers.

Whereupon Mr. Jones was named to the committee and accepted next day.

Not so many years ago Mr. Jones would have been an extraordinary figure. A chain-store man giving of his time and his employer's money for community work? It simply was not done.

Times have changed. Or, rather, perhaps the chain-store men themselves have changed. And in the van, paving

the way for this change, is the employer of Mr. Jones.

He is Ward Melville, president of the Melville Shoe Corporation. His organization totals 480 stores.

Working up

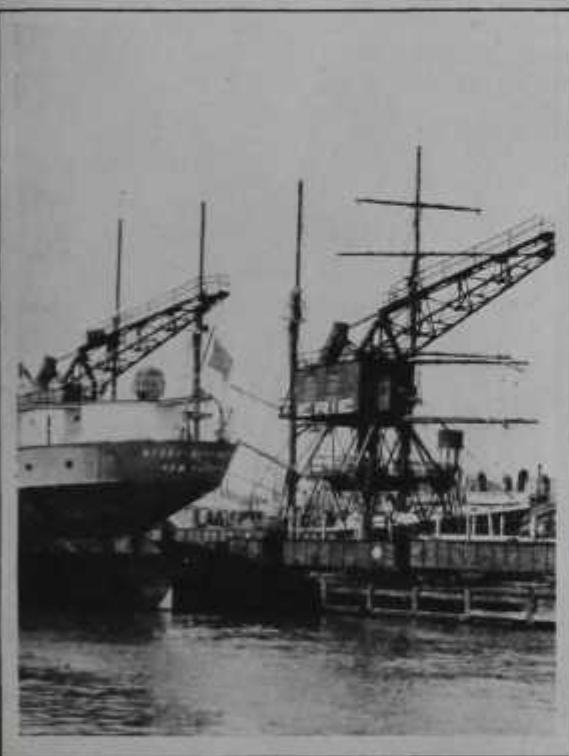
GRADUATED from Columbia University in 1909, Mr. Melville began at the bottom of his father's shoe business at a salary of \$11 a week. He was wrapping clerk, salesman, assistant manager, assistant buyer, manager. Even during the World War he dealt with shoes, being liaison officer, with the rank of captain, between the Government and the shoe industry.

Two years ago he came back from the convention of the National Chain Store Association filled with the idea that the time had come for chains to take their place in community life and welfare. He acted immediately and today his chain is fulfilling that idea.

The Melville plan extends to all four companies in the organization, but applies especially to the Thom McAn stores, since they are much more numerous and are scattered throughout the country and in smaller communities, while the others are largely centered in one area and in bigger cities.

The Thom McAn stores have fronts that average 15 feet; they do not take up much space, but today they are taking an active part in community affairs, working side by side with the home merchants, the independents. Working with as much interest, with as much enthusiasm as the home town banker, the butcher and the baker. Concerning the

BETWEEN CAR AND SHIP



*Ready to load a lake collier at Erie's Cleveland coal dumper.
At left—Handling freight between car and ship at Edgewater, N. J.*

AT all its terminals the Erie maintains modern facilities for handling freight quickly, economically and safely. This is an unseen item in your shipping costs. Its importance when routing your shipments should be considered.



ERIE RAILROAD SYSTEM
ROUTE OF THE ERIE LIMITED



Twenty-six of the chain's local managers took part in Boy Scout work

status of chain stores in communities, Mr. Melville has heard the same arguments offered by the citizen who objected to Mr. Jones.

"I have heard it said," he related, "that the chains never do anything for the upbuilding of the community. The store managers are said to be from out of town; it is said they remain long enough to boost the sales and then depart to bigger and better stores as rewards for their success. It is said the chains take no advertising space in the local papers, keep their display windows dark at night when the store is closed and do nothing for the community campaigns in the way of contributions."

"In the past there has been considerable truth in all that. But the chains now realize that they owe something to communities where they do business. Today the local managers of chains no longer are viewed as traveling salesmen. They are fellow townsmen."

250 memberships

WELL and good. But how is this accomplished and how does it work out?

First of all, some statistics. A recent inventory of the Thom McAn stores showed that they had memberships in 250 chambers of commerce. The number of memberships does not equal the number of stores because some cities have several stores. In such cases one membership is taken for all. Sixty-one managers, it was found, were active in chamber of

commerce work; 26 participated in Boy Scout work, five of them being scoutmasters; 92 were interested in Boys' Club work.

Generous donations, from the money that "goes to New York," were made to civic welfare organizations in every one of the 250 cities where the stores operate.

In addition, the Thom McAn stores fostered the community spirit by sponsoring bowling and baseball teams in scores of cities, for the company believes that sportsmanship and good will in business can be given a good start on the athletic field or in the gym.

But the efforts of the chain's managers are not confined solely to the civic movements. The case of a manager of a store in a Texas city will illustrate.

This city was eager to have the principal railway extend a branch to it, but a ruling of the Interstate Commerce Commission said it couldn't be done. However, it was learned that the town itself could build a branch and later sell it to a carrier.

A campaign was launched. The manager of the Thom McAn store made a complete report to the company, explaining that in the interests of good will and business his store should be represented on the subscription list.

It was, by \$500, although this particular store was not overly successful.

In this connection, Mr. Melville explained that the civic and charity budget of the Thom McAn store is about one-tenth of one per cent of the gross sales. This, of course, may conceivably be more than some stores earn. But the company feels that the highly successful store in the more prosperous community

will seldom, if ever, be called upon to give in the same proportion to its business as the poorer store in a less favorable location. The budget, therefore, balances store against store and town against town.

Good roads help shoe sales

IN ANOTHER town, with 10,000 inhabitants, the sore spot was muddy roads. Now some might conceive muddy roads a boon to the shoe business, but the manager of the Thom McAn store in that town was not one of those.

Both in the interests of business and community pride he interested himself in a campaign for good roads, gave his time and so aroused the community that a bond issue went over.

The good roads were built. The shoe business boomed and so did every other business.

Mr. Melville believes that civic life makes a man more mature. Most of the Thom McAn managers are young men—"baby members" of the chambers of commerce, is their title—and, in their interests, the company has instituted a training course in civic affairs. This is not primarily to add additional business, Mr. Melville explains, but is to pave the way for a more intimate, human relationship between the managers and the communities. The course teaches the managers how to determine which of the various welfare campaigns deserve help and stimulates them to analyze all these campaigns as they come up.

The types of charities to which the stores may contribute are varied. Generally speaking, however, a charity with a city-wide appeal, supported by the community's best business interests, meets with the Company's approval.

"Business owes an obligation to the poverty-stricken," said Mr. Melville, but he does not for one minute agree with expressions voiced in some communities that chains should give according to the millions of their total resources.

"The total resource idea is out of the question, of course," he said. "It has little to do with gross business or net profits. A firm could easily go into bankruptcy budgeting its contributions on the basis of total assets. We base our commitments on the amount of gross business done by a store, rather than the net profits. In this way we feel



Chain-store managers are active in chamber of commerce and other community work

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MARKETS

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of 29,000 up to 16,000,000
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Flexibility OF ROTOGRAVURE MAKES FOR *Economical Advertising*

One city or fifty-eight, twenty-nine thousand circulation or sixteen millions — such Flexibility of medium enables you to advertise without waste in your most promising markets. • • • Flexibility is but one factor in the economy of rotogravure. Consider the Reader Interest in the sections, the High Visibility of the advertising in them, and the sales compelling Believability of their perfectly reproduced pictures. • • • Paper plays a vital part in quality of reproduction—in the Believability of advertising. For seventeen years Kimberly-Clark papers have set the standard for fine printing—whether in rotogravure, black and white, or color work.

**Kimberly-Clark
Corporation**

Manufacturers of Rotoplate, Hyloplate, Primoplate,
Servoplate — Perfect Papers for Rotogravure Printing

that we can be fairer to the communities where we are doing business."

This chain does not play one town against another. It was asked recently to lend financial assistance in bringing factories to a town. It investigated to determine whether another community was bidding for the opportunity and whether that community had a Thom McAn store. It so happened it did not and the first town was given the assistance asked. If both towns had had stores there would have been no point in those stores bidding against each other.

Of the chain system in general and, especially of some charges made against it, Mr. Melville has several fine points to make. He holds that the chains have put out of business only those independents who have not made a specialty of retailing and who have barely eked out a living.

"On the other hand," he said, "the chains have given some independents the incentive to progress more rapidly. Spurred on by competition, many independent stores have grown into mammoth local enterprises."

As to the chain's money "going to New York," Mr. Melville points out that no community keeps all its money in the town. "Even the independent does not buy his merchandise locally," he said. "He must send the payments for it out of town. If he buys an automobile the greater part of what he pays for it will go out of town, unless he lives in Detroit, Flint, or some other automotive center, and even then the stockholders scattered over the country get a share."

Of local advertising by chains, Mr. Melville has this to say:

"By advertising in the local papers the chain may put back into the town still more of the money that it may have been criticized for 'taking to New York'."

Cooperation is good business

"CHAMBERS of Commerce and other local organizations have been quick to appreciate whole-hearted cooperation," he concluded. "The chain receives in added business, prestige and good will far more than it pays out for community uplift. Money alone will not accomplish this. It must be combined with cooperation and, often, hard work."

"The chain should regard it as an economic, social and moral responsibility that reaps splendid rewards. When it does so it will cease to be a chain and become a leading merchant on Main Street, for it will have caught the true community spirit."

IN OUR FORTIETH YEAR

We find confirmation of our original viewpoint that the principal assets of our business must always be:

The Confidence of our Clients. 80% of our present work is repeat business.

A Sense of Stewardship. We are pledged to the principle of working for the best interests of our client.

Experienced Personnel. Currently handling a wide range of engineering and construction work from the most complicated and technical to the simpler problems.

Recognition that the Owner Must Control.

The owner under our form of contract has complete authority over operations at all times, and all our contracts carry a ten days' cancellation clause.

Flexible Contract. May cover any or all parts of the work.

STONE & WEBSTER ENGINEERING CORPORATION

A SUBSIDIARY OF STONE & WEBSTER, INCORPORATED

BUILDERS *and* ENGINEERS

for the

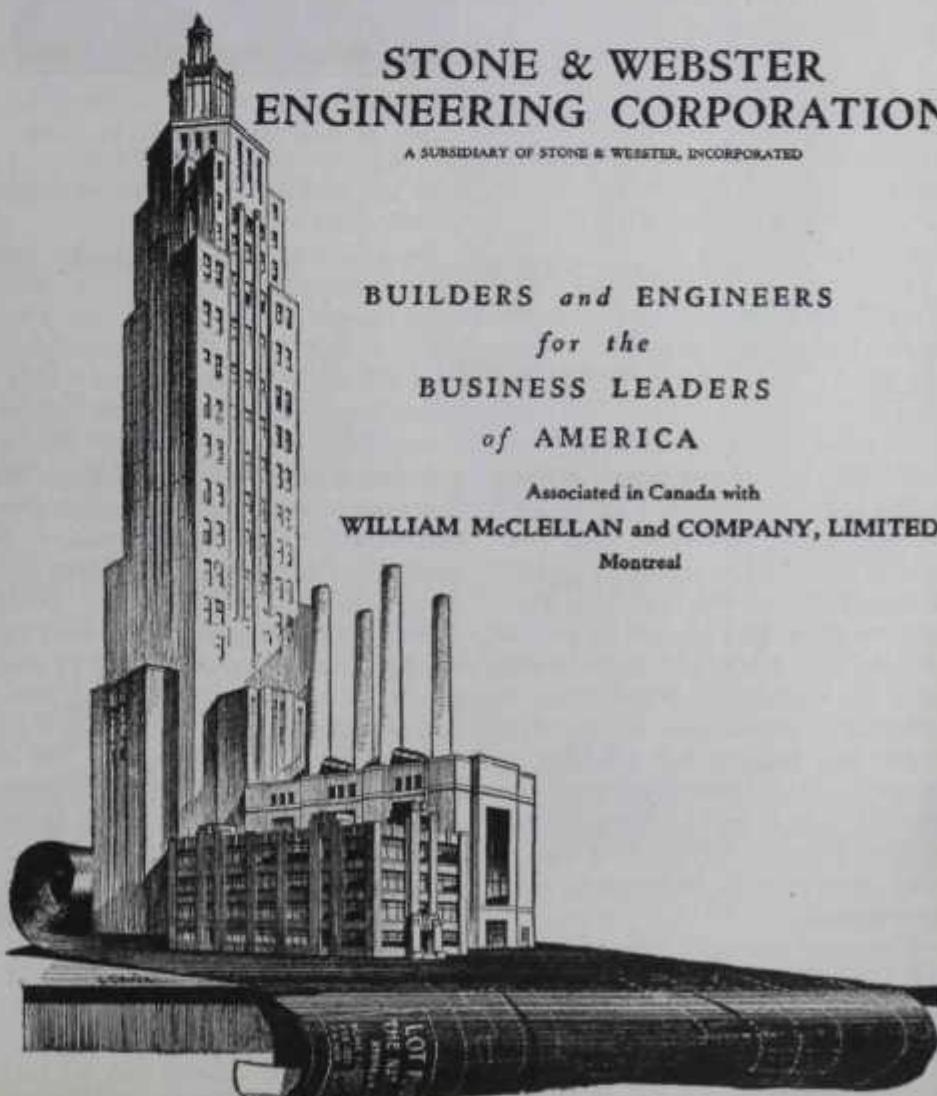
BUSINESS LEADERS

of AMERICA

Associated in Canada with

WILLIAM McCLELLAN and COMPANY, LIMITED

Montreal



WHAT I'VE BEEN READING

By WILLIAM FEATHER

President, the William Feather Company, Cleveland, Printers and Publishers

TWO years ago a deluge of books poured from the presses in which the United States was pictured as a land of milk and honey. It was indicated that no one could adequately visualize the America of tomorrow. The frosting was to be thicker than the cake.

Now we are getting a stream of new books which warn us that the United States is on the brink of disaster, and that unless we radically amend the capitalistic system we shall be lucky to survive.

What is one to believe?

I'm sure I don't know, but I find the discussion entertaining.

"**BUSINESSADRIFT**" is probably the most important book for American business men that has been published since the depression began. Its publication is timely.

Had it appeared a year or so earlier it would have received scant attention, because business men would have classified it as "just another book by a theorist."

But many things have happened since 1929. All of us have been humbled. Russia has embarked on a gigantic experiment which the author, Dean Donham of the graduate school of business administration of Harvard University, says we must assume will survive all hazards for at least 20 years. Russia faces the difficulty of transforming an agricultural nation into an industrial nation and training her labor to use machinery, but Dean Donham doubts that this task is half as difficult as our task of training our business men to work cooperatively in carrying out a general plan.

Unless we can unite on such a plan and formulate a genuine philosophy of progress, based on the capitalistic scheme of economics, we shall inevitably



Dean Donham doubts if Russia's task is half as difficult as ours

drift and civilization may be set back several centuries.

Dean Donham acknowledges that the soviet autocracy may eventually offer more material satisfactions to the people than capitalism has ever offered, but even if it did he would still prefer capitalism because it includes values that he prizes highly. These are personal liberty and individual initiative. To save the American scheme of economic organization, however, we must embark on a twenty-year plan. We cannot leave our destiny to chance. We cannot think ahead more than 20 years, and we should be mere opportunists if we calculated on a period of less than a business generation.

One fact is outstanding and that is that continued prosperity is contingent on an equitable division of it. Labor must enjoy a much higher degree of security and also more leisure and self-respect. The specter of the current hard times will not be forgotten for a generation. Security against unemployment, old age, and invalidism will be demanded, and must be supplied.

Dean Donham believes that the only corrective for unemployment is work. He fears that character degeneration

will be the certain consequence of unemployment insurance or the dole. He devotes many pages to the analysis of this question and inclines toward public work as the best solution.

High wages, high standard of living, permanency of employment, more leisure, and adequate self-respect for all our people are the goal toward which we must strive and which we must achieve in the coming business generation.

Much study and pondering lead the Dean to radical and unexpected conclusions. Although himself inclined heretofore to free trade or modified protection, he concludes that the United States in the next 20 years will best serve herself and the rest of the world by restraining her ambitions in foreign trade, and instead, amply protecting and vigorously cultivating her home market.

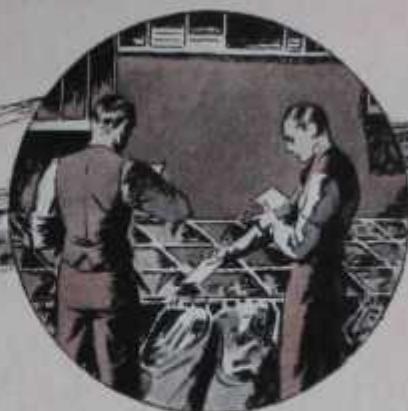
To get a larger share of foreign business, he points out that we must probably reduce wages, lower our tariff against imports, and compete viciously with Germany and England for the mastery of the free markets of the world. We should likely win, but in winning we should reduce the living standards of our own people, and possibly wreck Germany and England, leaving Russia supreme in Europe. Within the generation, all Europe might go to the soviet system.

THE alternative, which Dean Donham proposes, is that we face realities, and calmly survey the present situation and bravely estimate the risks ahead. We know that our home market today consumes 90 per cent of our output. Let us be satisfied with a share of foreign trade no larger than we now enjoy. Let us continue to protect our established industries against foreign aggression. Let us improve in technology and management.

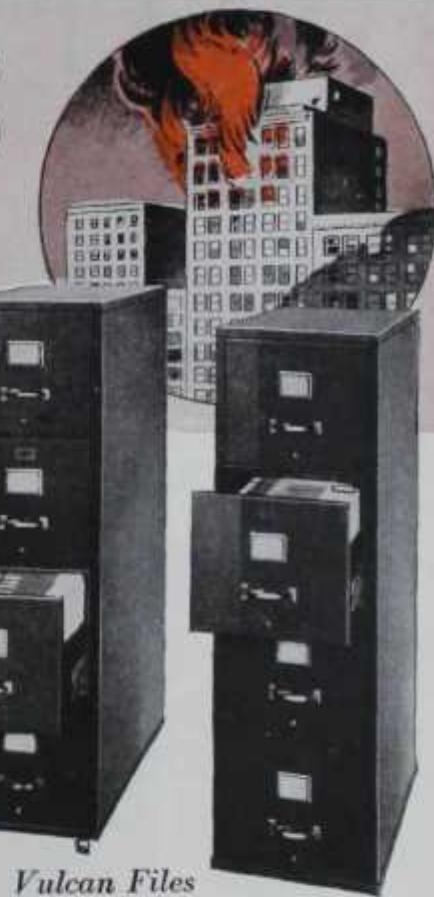
Let us cultivate our domestic market by giving more security and more leisure to labor.

Right now the desire for security is in

SAFE AT 60 M.P.H.



SAFE 24 HOURS A DAY



Short-cuts both...because they protect at "point of use."

MAILED must be sorted. Protected too. The armored mail car does both...at once.

What about papers in your office? If they're worth keeping, they're worth protecting. Remington Rand offers you equipment that cuts the expensive corner off protection by guarding papers from fire, day and night..."at point of use." Like the armored mail car.

Get these 2 Books. They tell the whole story

More than 66% of all fires are business fires. And 43% of businesses visited by fire do not resume activities. Do you realize that a "fireproof" building offers little protection to what is inside?

If fire should sweep your offices tonight what would you do tomorrow?

Safe-Files

are made to hold all sizes of papers and records and are equipped with locks and casters. They have withstood tests which approximate as closely as possible actual fire conditions.

What would happen to your letters, invoices, contracts, estimates? Would these records be on the job...or in ashes? The coupon is your first step to economical protection.

Vulcan Files

for general correspondence and general filing purposes, give bulk capacity and fire protection at a lower cost than ever.

REMINGTON RAND

Business Service

SAFE-CABINET DIVISION,
REMINGTON RAND BUSINESS SERVICE,
Buffalo, N.Y.

Without obligation, send me your two books explaining the short-cuts to economical record protection.

Name _____

Title _____

Company _____

Address _____

A NEW BUILDING SEEMED HIS ONLY SALVATION

BUT HE FOUND ROOM TO SPARE

AFTER TALKING WITH THE LYON MAN!

A Montana motor car dealer was pinched for room at every turn. His parts-service department was overflowing. Two cars made his display room look like a traffic jam. Cramped facilities were forcing away customers. After weeks of figuring, he felt compelled to build a \$3,000 addition—until a salesman from the local automotive jobber called, accompanied by a Lyon Man from the factory.

After going over his difficulties with the jobber salesman and The Lyon Man, the dealer found he could rearrange his parts department, commodiously, in half the space, thereby adding 350 square feet to the display room—simply by installing a



Lyon Steel Automotive Parts-Storage System and several Lyon Steel Racks, costing only \$585. Lyon blue prints, furnished gratis, confirmed this recommendation, enabling the dealer to obtain his needed room at a saving of \$2,415.

You probably don't sell automobiles; very likely you're not cramped, not now—yet the chances are ten to one that your business can profit similarly by this unique service which The Lyon Man offers. In some instances it has effected savings upwards of one hundred thousand dollars per annum . . . by eliminating "*hidden overhead*" in manufacturing, warehousing and merchandising operations through the intelligent application of steel equipment.

For 30 years Lyon has been designing steel fixtures to fit the specific needs of every business; factories and offices; schools, clubs, hotels and hospitals; warehouses and retail stores. For three decades

The Lyon Man has been showing business how these installations contribute daily to lower overhead . . . to savings in inventories, in space, in labor, in time, in insurance.

It is a fact: you will save more with Lyon Steel Equipment. Once you see Lyon's sounder engineering, superior design . . . once you *feel* Lyon's stronger construction, greater rigidity . . . once you *test* Lyon's more durable finishes . . . once you *experience* Lyon's service . . . you will understand why Lyon is awarded the majority of jobs, despite sharp-penciled competition.

You can obtain a blue-printed analysis of your storage, display or locker problem—without any obligation. To obtain the service of The Lyon Man, address: Lyon Metal Products, Incorporated, Aurora, Illinois. Branches, Jobbers and Dealers in All Principal Cities.

WHEN The Lyon Man calls he speaks with authority, not about your business, but his own—more efficient storage and display through the use of Lyon Steel Equipment. He places at your disposal an economy-effecting experience compounded over thirty years from many, many industries. To his success in that, the nation's greatest institutions will bear witness, gladly. . . .

A Few Representative Users of Lyon Equipment

American Can Company
Bauer & Black, Division of The Kendall Company
Caterpillar Tractor Co.
Commonwealth Edison Company

General Electric Company
New York Central Lines
Reading Company
Reo Motor Car Company

Studebaker Corporation of America
The Pennsylvania Rubber & Supply Co.
The Pratt & Whitney Aircraft Co.
Thor Canadian Company, Ltd.



LYON

S E R V I C E

STEEL LOCKERS • SHELVING • STORE FIXTURES • TABLES • FOLDING CHAIRS • BINS
CABINETS • DISPLAY CASES • COUNTERS • AUTOMOTIVE PARTS-STORAGE SYSTEMS

Business NEEDS Modern Accountancy

To estimate correctly where it stands today; to vision clearly the demands of tomorrow, and prepare for them—Business needs now, more than ever, definite and dependable Facts and Figures. On them, Management will determine its best and most economical use of working capital, will place responsibility for production and sales costs and inventories, and prevent wastes.

The tools of Modern Accountancy are definite of purpose, sharp and sure. Its Budget alone gives management a plan for economic and orderly readjustment—a guard against harmful sacrifice. The Budget compels sane, constructive action, eliminates fear, and generates through all departments a conviction of Reason and Right.

Not big business alone, but any business, all business, NEEDS Modern Accountancy. Its adaptability to every situation and its creative dependability at all times make it an economical necessity in the service of Better Business.

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BALTIMORE	DETROIT	JACKSON, MISS.	OMAHA	SAN FRANCISCO
BIRMINGHAM	ERIE	KALAMAZOO	PHILADELPHIA	SEATTLE
BOSTON	FORT WAYNE	KANSAS CITY	PITTSBURGH	TAMPA
BUFFALO	GARFIELD	LOS ANGELES	PORTLAND, ME.	TOLEDO
CANTON	HARTFORD	LOUISVILLE	PROVIDENCE	TULSA
CHICAGO	HUNTINGTON,	MEMPHIS	READING	WASHINGTON
CINCINNATI	GRAND RAPIDS	MIAAMI	RICHMOND	WHEELING
CLEVELAND	HARTFORD	MILWAUKEE	ROCHESTER	WINSTON-SALEM
COLUMBUS	HUNTINGTON, W.VA.	MINNEAPOLIS	ST. LOUIS	YOUNGSTOWN

Coming to Texas?

Ideal Site for Factory, Jobber,
Assembly Plant or Institution . . .

Texas Presbyterians uniting their colleges are selling one complete plant in center of Texas, 50 miles south of Dallas, 2 railroads, paved highway, high power electric line, industrial gas and electric rates, ample water, plentiful white labor, 40 acres, 5 brick buildings. A \$300,000 property for \$50,000.

For Illustrated Descriptive Folder

Write Pat. E. Hooks, Itasca, Texas

Unlocks **DEAF** Ears!

Entirely new principle of sound amplification. Tiny electrical hearing aid by one of the world's largest manufacturers. Call for free demonstration or write for full particulars.

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competition with the desire for things. Assured of security and given more leisure for the enjoyment of things, the consuming capacity of the American people would demonstrate rapid growth. Within a business generation, we may enjoy a modest paradise right here on our own continent. Ambition to gobble up the markets of the world may lead to disaster.

Specifically, the book attempts an answer to this question:

"How can we as business men, within the areas for which we are responsible, best meet the needs of the American people, most nearly approximate supplying their wants, maintain profits, handle problems of unemployment, face the Russian challenge, and at the same time aid Europe and contribute most to or disturb least the cause of international peace?"

In the foregoing paragraphs I have outlined the major conclusions. I am hopeful that all readers of this review will turn to the book itself. Dean Donham writes directly to the point, and compresses his entire thesis into 175 pages.

SINCE the first sketch by George Milburn appeared in the *American Mercury* a couple of years ago, he has been one of my favorite authors.

He is the first to be read in the *Mercury* and *Vanity Fair*, where the stories that comprise "Oklahoma Town" first appeared.

Milburn is 24 years old, a native of Oklahoma. At 16 he became a reporter and a year later entered college, but soon left because of ill health. For several years he was a hobo, stealing rides on trains and picking up a meager living at odd jobs.

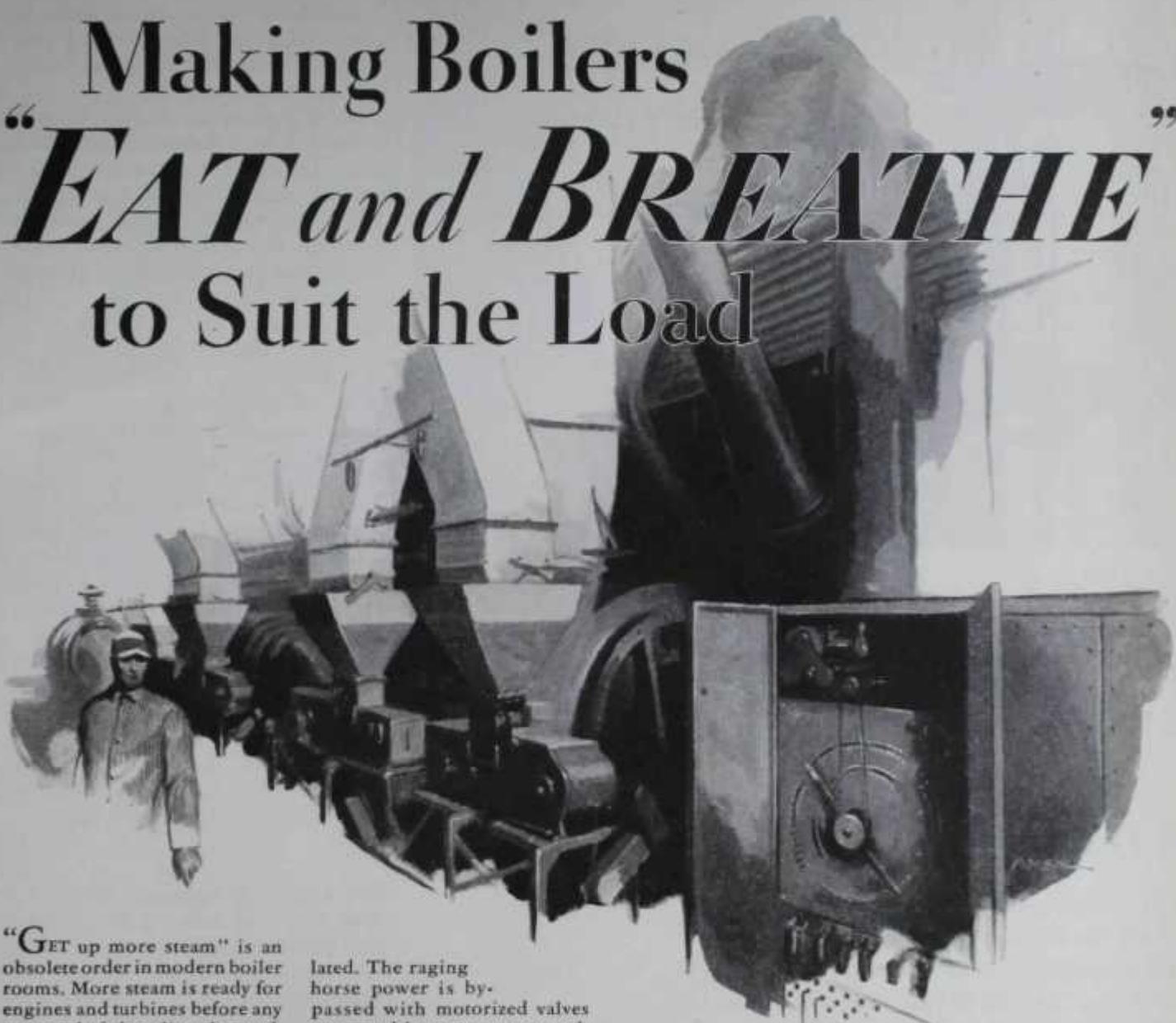
He now seems to be established as one of the most promising writers in the country. His stuff is reminiscent of "Spoon River Anthology" and some of the work of E. W. Howe. He is uncannily thrifty in the use of words. Grotesque characters, perfectly etched, emerge from a single page of writing. Queer, tragic, and homely as the Milburn people may be, one has no doubt of their reality. Every person in the book is interesting.

MILBURN perceives that the world is made up of millions of individuals. In the mass they look exactly alike, but

**Oklahoma Town*, by George Milburn, Harcourt, Brace and Company, New York, \$2.

TRAVELS TO THE PROVING GROUNDS OF CUTLER-HAMMER EXPERIENCE

Making Boilers “EAT and BREATHE” to Suit the Load



GET up more steam" is an obsolete order in modern boiler rooms. More steam is ready for engines and turbines before any man on the job realizes the need. For Motor Control, sensitized to variations in steam demand, speeds up, slows down, regulates the motors feeding air and fuel to the furnace with no help from anybody. Thus do boilers "eat and breathe" to suit the load.

Moreover, the steam itself is administered by Motor Control. In a boiler room are dozens of valves that must be operated in proper sequence—valves that take a man twenty minutes to open and close. These now are motorized and automatically operated by Motor Control. Not only is this a saving in time and work, but valuable in emergencies. Should modern high steam pressures break loose, the affected equipment must be iso-

lated. The raging horse power is bypassed with motorized valves operated by remote control, defeating danger and delay.

In applying electric power to the problems of power production, Cutler-Hammer Engineers have been in the fore-front... as they have wherever Industry has confronted a new or difficult problem in Motor Control. Boiler rooms are but one example, taken from hundreds, where Cutler-Hammer Engineers have learned facts regarding Motor Control which can be learned only by such pioneering. The final result of special engineering covering every problem in Motor Control arising through nearly four decades is available to you for every common application in Cutler-Hammer

Standardized Motor Control.

Better protection to motors because more accurate—safety to men and equipment—maximum savings in steps and time... you secure all these advantages by insisting upon Cutler-Hammer Standardized Motor Control. Conscientious machine manufacturers incorporate it in their motor-driven machines. Established electrical wholesalers in principal centers stock Cutler-Hammer Standardized Control. And leading motor builders recommend it for the protection of their motors. CUTLER-HAMMER, Inc., Pioneer Manufacturers of Electric Control Apparatus, 1251 St. Paul Avenue, Milwaukee, Wisconsin.

Pioneering... then Standardization



Better methods are discovered only by pioneering. The innovation of today is commonplace tomorrow. Likewise, the features incorporated in Cutler-Hammer Standardized Motor Control could never have been available without the pioneer engineering of Cutler-Hammer on special Motor Control problems.

CUTLER HAMMER

The Control Equipment Good Electric Motors Deserve

(A-2004)



PULL and PULL and PULL

Just straight pull; but steadily increasing pull. That's the test to determine the tensile strength and elasticity of wire for Yellow Strand Rope. The number of "pounds of pull" registered at the instant of breaking determines whether the wire is good enough for this super rope.

There are many other rigid tests to be passed before the wire is permitted to go into Yellow Strand.

It is significant that this rope with one strand of yellow is found where the most severe working conditions prevail. Put Yellow Strand to work on your tough jobs and benefit by its economical operation.

Broderick & Bascom Aerial Wire Rope Tramways are handling mine products, waste, and other materials economically and efficiently.

Write for catalog.

If any two are examined closely they are found to be no more alike than a giraffe is like a goat.

"Oklahoma Town" is populated by queer people, but they are queer only because someone has taken the trouble to tell us about them.

Of all the younger writers it seems to me that this Oklahoma boy promises most. He packs a paragraph into a sentence and a chapter into a paragraph. Within less than 200 pages he assembles a human zoo that is far more entertaining and startling than any Barnum menagerie.

OPENING "Hard Lines" in a bookstore, my eyes lighted on this couplet which occupied a full page:

Philo Vance
Needs a kick in the pants.

That's typical of the nonsense that appears in "Hard Lines." Ogden Nash, it seems, has been delighting for the last year such notables as F. P. A., Dorothy Parker, Newman Levy, Milt Gross, and Stephen Vincent Benet.

He has mastered the poetry of the Sweet Singer of Michigan, and has applied the technique of that genius to modern problems.

"Hard Lines" is expensive entertainment because the book can be read in an hour. But it's funny, in a new way.

BECAUSE "Management Problems" deals with the textile industry, because it is published under the auspices of a southern university, and because the writers of the papers are identified with southern industrialism, I turned to the book with more than ordinary interest.

I was not disappointed in the reading.

The article by Henry P. Kendall, president of the Kendall Company, is a splendid recital of what can be accomplished in a sick industry by enlightened and aggressive management. Anyone who thinks that any business or industry is hopeless can get \$10,000 worth of ideas and inspiration from the 16 pages of print that appear under the signature of Kendall.

Other aspects of the textile industry's problems are presented by North Carolina manufacturers and professors. The lectures that comprise the book were delivered to the student section of the Taylor Society at the University.

"Hard Lines," by Ogden Nash. Simon and Schuster, New York, \$1.75.

"Management Problems," edited by G. T. Schwenning, University of North Carolina Press, Chapel Hill, N. C. \$2.

YELLOW STRAND WIRE ROPE

Manufactured only by

**Broderick & Bascom Rope Co.
ST. LOUIS**

New York Houston Portland Seattle
Factories at St. Louis and Seattle

Makers of nothing but wire rope for 35 years

When writing to BRODERICK & BASCOM ROPE CO., please mention NATION'S BUSINESS

Teletype-operated lines would reach 50 times 'round the earth



*Whatever is typed on
the sending machine . . .*

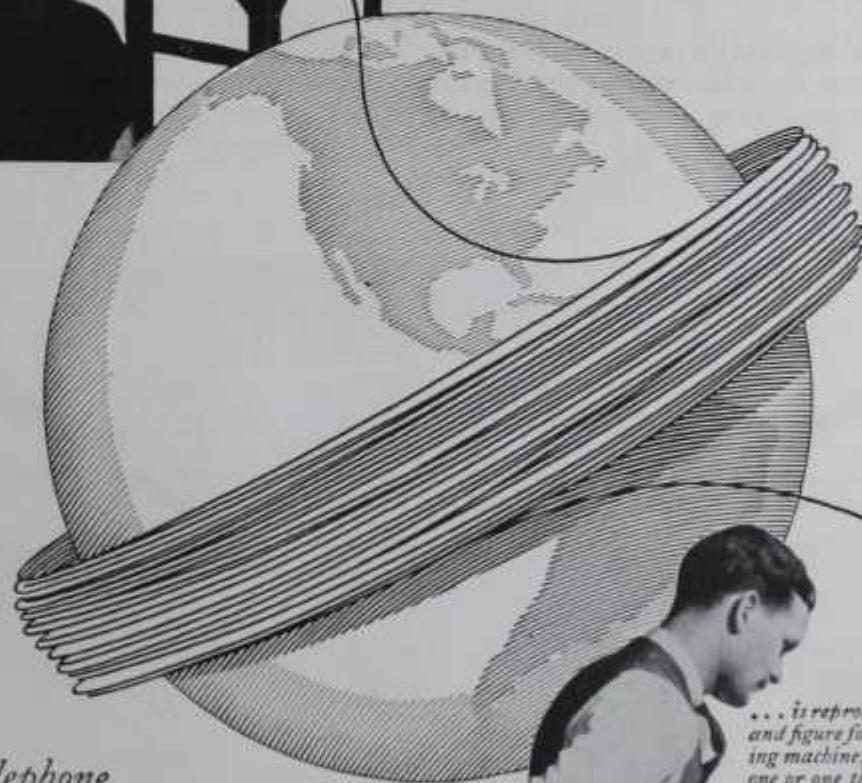
TELETYPEs to the number of 65,000 are now being used by telegraph companies, press associations, railroads, air lines, police departments, hotels, banks, brokerage houses, department stores, credit bureaus, wholesalers, manufacturers, and producers of oil, gas and electricity. Fully 1,250,000 miles of circuit . . . enough to reach 50 times 'round the earth . . . are employed in their operation. Here, indeed, is convincing evidence of the efficiency, dependability and economy of this remarkable device that has revolutionized communication by sending typewriting by wire!



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and figure for figure by the receiving
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one or one thousand miles away.
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and both make one or more copies
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TELETYPE

SUBSIDIARY OF
Western Electric Company
INCORPORATED

Making Fixtures Do Double Duty

THE new psychology of salesmanship has been utilized to a point of practical bewilderment in the planning of the new showroom and office of the Lamson Company, recently opened in the Chrysler Building, New York City.

C. K. Pevear, material handling engineer, has combined his knowledge of salesmanship with that of his products and borrowed from modern art in setting up this novel room.

"Manufacturers of conveyors," says Mr. Pevear, "have long recognized that the first step in the selling of their products is the education of the potential customer along the lines of modern efficiency and the latest methods of material handling."

For this reason, he has attempted to bring within the small area of his singular showroom such a complete descriptive display of his company's products that they may be comprehensively seen

and explained without trips to neighboring factories and warehouses.

One enters through a short passage, past a sizable drafting-room simply furnished in walnut, and proceeds into the large private office. Here, true expression of art and machines in harmonious blending meets the eye. The motif is black and silver.

Inspecting the furnishings, one finds that this entire office is a practical showroom, incorporating many features of the Lamson Company's products.

The furniture is metal, chromium-plated trim. The walls are silver, and provide a screen on which to show motion pictures. The projectors are cleverly concealed in a black cabinet.

The curtains are operated by electric motors and in a jiffy the room can be transformed into a small motion-picture theater, where the prospective customer can be shown films depicting conveyors in actual operation.

The most conspicuous piece of furniture is a large table in the center of the room. It is a chromium-plated conveyor supported by six legs made of chromium-plated steel channels. The top is of heavy black bakelite, divided into four sections. These may be rolled back to disclose chromium-plated rolls of every size and description, as well as samples of the Company's line of bearings.

The chairs, modernistic in design, are constructed of chromium-plated conveyor tubing and have black patent-leather cushions. Seats and backs are made of samples of belting used on the conveyors.

There are three floor lamps, all working models of standard spiral conveyors. Incidental furnishings, which include a side table, ashtrays, humidors, cigarette containers and waste basket, are all fashioned from parts of the Company's products.

— ALFRED ALBELL



The table top is a chromium-plated conveyor, with bakelite top. The chair seats are made of belting samples; floor lamps are working models of spiral conveyors

PHOTOGRAPH BY R. S. T.

What do you get for clerical time?

*Busy hands are not always an
indication of efficiency*

For clerical time, as interpreted in dollars on the weekly payroll, you get exactly the volume of work your clerks accomplish . . . no more. If they do 10 percent as much record keeping and writing work as an Addressograph would do in your office, you get only one-tenth of what you should for clerical time.

Count the hands in your office busily engaged in copying names and addresses or data from ordinary business records . . . onto sales promotional

literature and business forms such as statements, collection notices, checks, ledger sheets, pay forms, factory forms, etc.

Realize that the writing of the name and address of a customer or prospect . . . an employee's name . . . a specification . . . involves 50 to 100 hand motions.

Realize, too, that Addressograph removes the expense of hand copying from ordinary reference records. That with ONE motion it writes any information recorded on an Addressograph self-writing record. And does it 10 to 50 times faster than hand methods.

An Addressograph representative can show you how you can get more for clerical time.

ADDRESSOGRAPH COMPANY

General Offices: 1814 E. 40th St., Cleveland, Ohio
 Addressograph-Multigraph of Canada, Limited, Toronto
 Addressograph, Limited, London, England
 Addressograph G. m. b. H., Berlin, Germany
 Addressograph, S. A., Paris, France

Speedumat Manufacturing Co., Cleveland, Ohio

Divisions of
 Addressograph-Multigraph Corporation
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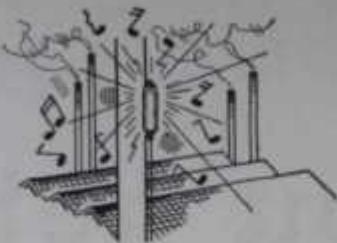


The Addressograph illustrated is the new, low-priced, all-purpose, electric model, which mechanically transcribes fundamental business records at high speed. There are also hand operated models and super-speed automatic models from \$45.50 to \$11,000.

Copyright 1931, Addressograph Co.

Addressograph

TRADE MARK
PRINTS FROM TYPE



We're Musically Inclined

TODAY along our production lines you will see musical apparatus unknown to Brahms and Beethoven—devices which are bringing to millions enjoyment only few knew in times gone by. Motors of all shapes and sizes—the mechanics of modern entertainment. Here's a little fellow no bigger than a debutante's fist that will change twenty-four phonograph records faster, *and better*, than you can yourself. And here's one to play the records! This motor-generator will supply the "juice" for some new broadcasting station—and this motorized blower is to be the pump-boy of a great pipe organ. Of course, you never see, *nor hear*, these R & M musicians. Hid in cabinets and consoles, they do their chores in ghostly silence, contributing much, by their quiet, dependable anonymity, to the splendid voice of the instruments in which they play so *vital* a part.

If you have a problem in electrical-motorized machinery, come to Robbins & Myers. We offer you the facilities of a completely modern plant and the experience of 33 years' precision manufacture in designing, building and applying electric motors, generators, fans and electrical appliances.

Robbins & Myers, Inc.

Springfield, Ohio

Brantford, Ontario

1878



1931



FANS, MOTORS, HAND AND ELECTRIC HOISTS AND CRANES

Why Americans Leave Home

(Continued from page 46)

icans go abroad to see so much as the boulevards and restaurants of Paris, the race tracks of Buenos Aires, the bullfights of Madrid, and life itself. The young college student who rushes abroad, whether in the cabin de luxe or in tourist third cabin, is looking for adventure, not culture.

"The staid business man gives the bland excuse of seeking the liberal education he probably did not have time or opportunity to obtain during his youth to cover up his irritation over his wife's routine way of managing the home. He is likely to devote his research work to the sights of Paris, London, Vienna, Pompeii. Probably he comes home a somewhat wiser man, and possibly somewhat better than he was because some of his inhibitions have been overcome, but whether he returns more cultured is open to question.

We want to travel

"MAKE no mistake," said the authority, "in thinking that tourist agencies have to spend money to urge people to travel. If a few of them do, they are wasting effort. We found long ago it was not necessary to spend money persuading people to leave home. They already have the urge. Our aim is to convince the prospective traveler that we can make life easier and pleasanter for him while he is traveling, and give him plenty to see and lots of new experiences. If we can persuade him to that effect, and he has the means, why, we sell him a trip. We no longer have to sell him the idea."

"Most Americans already have the 'travel mind'. Perhaps at bottom, it is little more than unrest or temporary dissatisfaction with present surroundings.

"But, after all, travel is likely to be healthful. Undoubtedly in most cases it is educational, whether that is the traveler's intent or not. Unless he keeps his eyes shut, he is bound to learn something he didn't know before. If one really travels because of the cultural opportunities made available, the rewards are manifold and worth while. After all, to paraphrase an old saying, what you get abroad depends in large measure on what you take there. That is to say, the benefits of foreign travel are largely dependent on the spirit in which traveling is undertaken."

Buildings the Whole Nation Talks About . . . note how many are of Limestone from the famous ILCO quarries

THAT Indiana Limestone from the famous quarries of Indiana Limestone Company was chosen for the great Empire-State Building proves beyond a doubt that this fine-grained, light-colored natural stone is truly the nation's choice for important buildings.

The public has been quick to respond to the greater attractiveness of limestone facing. Surveys in metropolitan centers show that in percentage of space rented Indiana Limestone buildings rank consistently well above the general average.

Where land values are high, building owners naturally take every precaution to assure a building's drawing power. Indiana Limestone has proved over and over again that it attracts the best class of tenants.

Learn all the facts about Indiana Limestone before you build. Don't let it happen that your people ask when it is too late: "Why wasn't it built of limestone?"

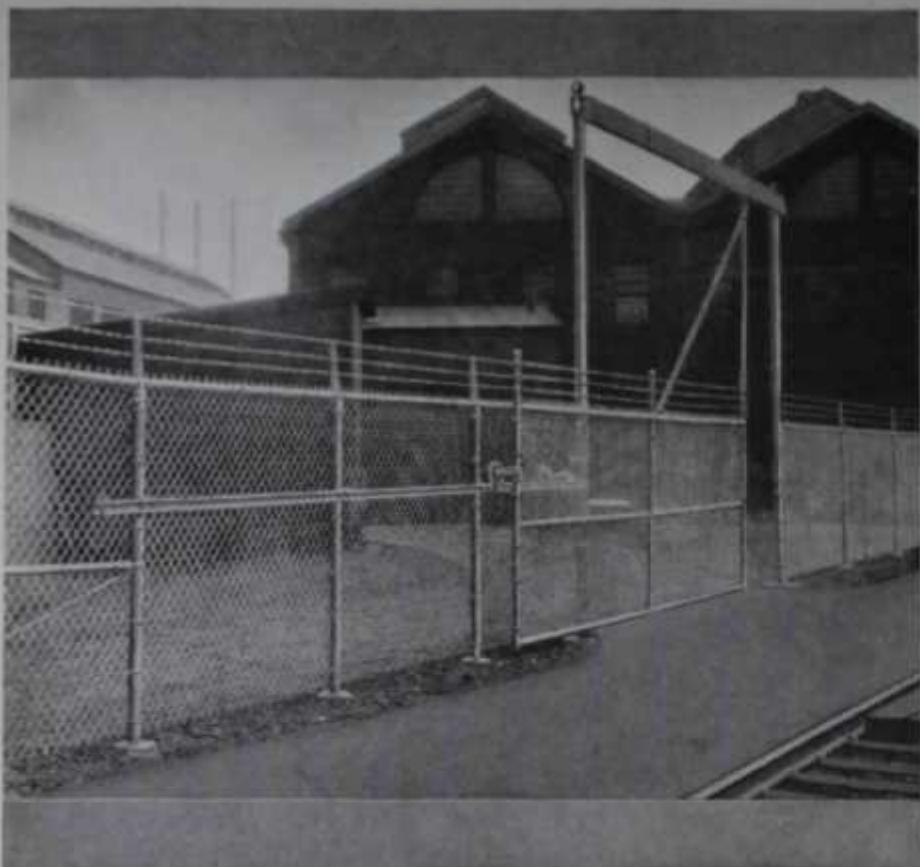
Write today for illustrated literature. Address Box 1658, Service Bureau, Indiana Limestone Company, Bedford, Indiana. (Executive Offices: Tribune Tower, Chicago.)



EMPIRE-STATE
BUILDING
New York City
Shreve, Lamb & Harmon
Architects. Starnett Bros.
& Eken, Inc., Builders.

INDIANA LIMESTONE COMPANY

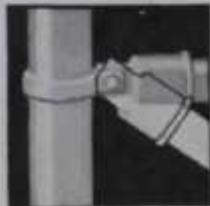
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WORTHY OF *America's greatest* INDUSTRIAL PLANTS

Into the making of Pittsburgh Chain-Link Fence goes a sincere desire, born of 30 years of fence-making experience, to make the very best fence possible—a fence that is worthy of the great industrial plants it is destined to enclose. Made entirely by one company, from ore to finished product, Pittsburgh Chain-Link Fence possesses the quality of material and perfection of detail that insure many years of satisfactory service . . . It is built with the strength and resilience to withstand the knocks and bumps of

The Pittsburgh Rail and Brace End is adjustable to various angles . . . Deep socket excludes moisture and prevents rail or brace from slipping out.



New York
Chicago
San Francisco

732 Union Trust Bldg.  Pittsburgh, Pa.

Pittsburgh Fence

CHAIN-LINK TYPE

Memphis
Dallas
Detroit
Syracuse

Canada's Mining Progress

If a world shortage of gold is one of the causes contributing to the general economic depression, then Canada certainly is doing her share toward improving the situation. Gold production in Canada in 1930 amounted to about \$43,000,000, an increase of \$2,000,000 over the total output in 1929, according to recent government returns.

The capital investment in the mining industry in Canada at the end of 1929, the last year for which statistics are available, amounted to \$850,000,000. In that year the industry gave employment to 95,000 men and paid out in salaries and wages \$125,000,000. In addition to the large number of men employed in operating mines, smelters, oil and gas wells, brick plants and quarries, employment was given to many thousands in the production of machinery and explosives, fuel and chemicals for treating and refining oils and the fabrication of metals.

Farm products lead in value

THE values of manufactured products classified according to origin were estimated by Wesley A. Gordon, Canadian minister of mines, as follows: farm origin, one and a half billion dollars; mineral origin, one and a quarter billion; forest origin, three-quarters of a billion. The value of mineral products in 1929 was about \$315,000,000 and dividends paid by Canadian mining companies were more than \$50,000,000, or about 17 per cent of the total value of production.

The outlook for the future of the Canadian mining industry, based on progress and expansion in the past 18 months, is good. Development in the Sudbury nickel-copper district of Ontario has been active. A copper refinery has been erected having an annual capacity of some 240,000,000 pounds of the refined product. A new smelter to handle 5,000 tons of ore a day has also been put in operation.

Among other important developments are the construction of a large fertilizer plant at Trail, British Columbia, and the building of a plant in Saskatchewan capable of supplying 50,000 tons of sodium sulphate annually. This latter industry is based on deposits of more than 100 million tons of sodium sulphate in western Canada. The product is used for refining copper-nickel ores.

—JAMES MONTAGNES



This cabinet is standard, but the cooling mechanism can be built into a piece of furniture or into any type of cabinet.



NOW YOU CAN

Turn on the Cold

AS EASILY AS YOU TURN ON THE HEAT!

This brings you news that will be as welcome as the first hint of autumn on a blistering August day. For it tells you how you can work in comfort even when the mercury climbs for a record and heat waves shimmer in a broiling sun outside your windows!

The Frigidaire Room Cooler is now ready—ready to transform hot, stuffy offices into places with an atmosphere so fresh and invigorating that "nerve-fag" never has a chance.

You can actually "turn on the cold" whenever you feel like it! For the minute you start it going the Frigidaire Room Cooler begins to draw the warm air in and throw the cold air out—all without creating

annoying drafts or breezes. And as it takes out the heat, this marvelous device also takes out the humidity—just as a sponge picks up water.

Yet, despite the magic it performs, the Frigidaire Room Cooler is surprisingly simple—as simple as Frigidaire Refrigeration.

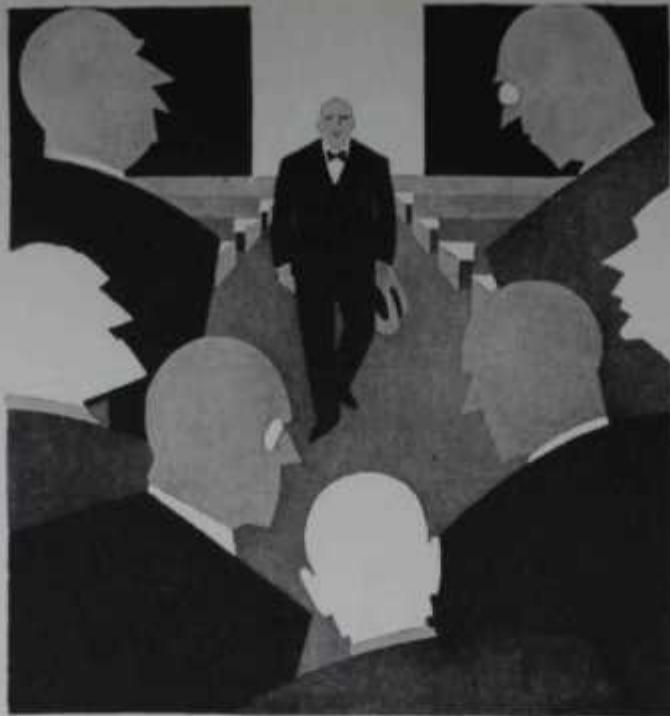
The Frigidaire dealer will be glad to tell you and show you how this appliance works and explain about the different models for offices, homes, stores, restaurants and other places where real warm-weather comfort is wanted.

We suggest that you get in touch with the Frigidaire dealer today. Frigidaire Corporation, Subsidiary of General Motors Corporation, Dayton, Ohio.

FRIGIDAIRE *Room Coolers*

*Also Electric Refrigerators for Homes . . . Heavy-duty
Refrigerating Equipment for Stores and Public Institu-
tions . . . Electric Water Coolers . . . Ice Cream Cabinets . . .
Milk Cooling Equipment.*

When writing to FRIGIDAIRE CORPORATION please mention Nation's Business



We sent 80 invitations
and one man, a grocer,
attended the meeting

Retailers Who Won't Be Helped

By JOHN H. HEINEY

Of the Domestic Distribution Dept., U. S. Chamber of Commerce

DECORATIONS BY D'ARCY

F ALL the problems confronting retailing in its broad ramifications were made into cobblestones, a long and rocky highway could be built. If all the solutions and explanations for these problems, advanced from every source, could be fashioned into paving bricks, a superlative highway, twice as long, might be constructed.

Almost everyone directly or remotely interested in distribution has an answer to the retailer's problem.

Sitting on the sidelines, concerned not only with a major problem of retailing but numberless attendant concerns, is the secretary of the local chamber of commerce. In the great majority of organizations his time and energies are also occupied with industrial and civic affairs.

One of his chief interests, however, is retailing as it relates to his community. No one more than the local chamber secretary appreciates the importance of making a good first impression on the

visitor through a progressive appearing retail section.

It is the small retailer—that is, small by individual measurement but enormous in collective importance—who claims the attention of the secretary. The large department store and the local representatives of the chains are more able to take care of themselves. For the most part they have the personnel, capital and initiative to work out their own problems. In any one community there also may be individual retailers who are quite as efficient and willing to cooperate for the good of all, but they represent only a fraction of the whole.

A healthy retail group

THE secretary's job, then, is the development of small retailers (for their individual improvement) and the maintenance of a healthy, active retail group

★ PERHAPS no person is privileged to examine the small retailer's problems more closely than is the secretary of the local chamber of commerce. Recently more than 600 such secretaries were asked what retail problem most puzzled them. Their replies were amazingly similar and their problem was of a nature no less surprising

for the collective benefit of the community.

Recently the United States Chamber of Commerce had the opportunity to learn from more than 600 local chamber secretaries the retail problems that puzzled them most. Information was being sought on particular activities in the retail division of the local organization and a question was asked to this effect:

What retail problem in your community puzzles you most?

The collective reply, in summary, was simply, "We can't get our retailers to realize the vital necessity of modernizing throughout every phase of their

Have you an . . .

UGLY DUCKLING?

A baby swan, hatched with a brood of ducks, was much persecuted because he was so ugly. But when he grew up, he was welcomed by a flock of stately swans because of his majestic size and beauty.

HAVE YOU A PACKAGE THAT HASN'T GROWN UP?

Manufacturers once thought that a package should never be changed in appearance. Now almost every month sees some familiar, nationally-known product coming out in a new dress.

For beauty pays profits. Ugly duckling packages, adopted when a business is young, must be made to grow up into beautiful swans. Stand your package up with a group of competitors. See if it is the best.

It can be, if you are determined to make it so.

And, finally, the sales appeal of your package depends upon how well its reproduction carries out the original design. The same careful THOUGHT used in planning must be continued in reproduction. Choose a thinking lithographer, printer, or package-maker and then permit him to use thought—and quality materials.

He will probably use I.P.I. Inks. The added value of the thought, skill and experience behind them will add value to the packages he makes for you.



ipi

THE INTERNATIONAL PRINTING INK CORPORATION

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When writing to INTERNATIONAL PRINTING INK CORPORATION please mention Nation's Business



Tap-tap-tap
on the typewriter . . . rock back and forth on
the chair . . . never mind . . . it's Alcoa Aluminum

Be seated—get comfortable—then go! Nimble fingers fly over the keyboard. The buzzer sounds; that means swaying around to reach for a note book and pencil. Back again to transcribing; a slide of the chair is required to bring more letterheads within reach. Even stretching from a cramped position brings another strain on the chair frame.

Rock, tilt, jiggle, the chair catches every twitch of tense, taut nerves. Never mind, an Alcoa Aluminum Chair is made to take a lifetime of strain, from any angle.

The frames of Alcoa Aluminum Chairs are welded into one continuous piece. There are no glued joints, no dowels to work loose. These chairs of Alcoa Aluminum are so light they move at your slightest touch. But they are more than feather-light—they are

strong, made of the same strong alloys of Alcoa Aluminum that are used for building railroad coaches, street cars, airplanes and dirigibles.

There's more than long wear to recommend these chairs; there's comfort in their specially constructed form-fitting frames which provide the proper brace to sustain tired backs—to bring relaxation to taut muscles.

In design, Alcoa Aluminum Chairs match the ultra-modern trends in office equipment. You can obtain Alcoa Aluminum Chairs in 3 natural aluminum, or any other finishes; in any upholstery. There is a wide variety of styles for homes, offices, hotels, restaurants and hospitals. Ask for literature on the types of chairs which interest you. Address ALUMINUM COMPANY of AMERICA; 1415 Oliver Building, PITTSBURGH, PENNA.

**CHAIRS OF
ALCOA ALUMINUM**

When writing to ALUMINUM COMPANY of AMERICA please mention Nation's Business





The local secretary can coax, but he can't force his pupil to learn

operations, and they will not cooperate to improve their own community conditions."

Aside from this frank statement, many highly individual problems were reported. Many secretaries have forward-looking merchants in their memberships who work as earnestly for community betterment as for improvement of their individual establishments. But the majority of the reports state that the serious problem is the awakening of the retailer to the necessity of self-development and improvement, which leads to community development and, of course, leads directly back again to self-gain.

As one secretary in a Pennsylvania city reported:

"Our problem is to interest the merchant in his own business first; and then to work with others in his same line."

No merchants

ANOTHER came directly to the point with:

"We have storekeepers but no merchants."

A New York State secretary explained that his problem was to awaken his merchants to the fact that retail conditions have changed.

So on through scores of reports. Only the language varied. Secretaries reported from every state and from various parts of each state. Industrial and agricultural districts were represented,

country towns of less than 5,000 population, little cities of 10,000 to 50,000, and a generous sprinkling of the 100,000-and-up group.

Now it may appear that these secretaries are not on the job. Why, it is asked, does an ambitious, competent secretary permit such conditions? No better reply could be given than the adage concerning the horse and the watering trough. The secretary can wheedle and cajole, can point to the handwriting on the wall and the object lessons printed in the forms of failures and painfully apparent competition. Perhaps he can threaten a little. But in the final analysis he is an employee—a schoolmaster who teaches well but who cannot force the pupil to learn his participles or decline his business verbs.

Here is a sample report by way of illustration:

"Our state university volunteered to arrange a program for a business institute without cost. Modern efficiency methods were to be presented. We publicized a preliminary meeting to learn in just what our retailers would be most interested. It was a glorious opportunity. We sent 80 invitations. One man, a grocer, came to the meeting!"

Another reports:

"We arrange various programs directed at improving our retailers. Our problem is to interest them in promot-

ing and participating in their own retail activities."

Many reports state:

"Our retailers refuse to cooperate in any effort which is really constructive, something which will improve them. We can't even get them to come to a meeting of retailers."

Chains aren't bothering

THE reports having been solicited at a time when the subject of chain stores is before many communities, it appears logical that chains would be named as the outstanding problem confronting organized merchants forming the retail division of the local chamber. Yet only one report out of each 20 mentions chains. About one-half of this small number say the chains themselves are the problem; the other half say the problem is making their retailers realize the necessity of improving their methods to compete with the newcomers.

In a number of cities it appears from the reports that retailers are working together, are open-minded and eager to learn and improve. One secretary says:

"Our problem is overcoming competition of larger nearby communities and mail-order houses."

Another:

"We are beset with itinerant vendors."

Another:

"Our problem is to keep our retail trade at home."

It is recognized that the merchants

of a town at the borders of a sizable city will suffer as consumers "run into the city" for merchandise. But too frequently the town that loses this trade should not sacrifice its own trade territory to the appeals of a larger community. Too often the loss is obviously due to inadequate stocks, failure to analyze consumer demand, incompetent salespeople and the tragic indifference of retailers themselves.

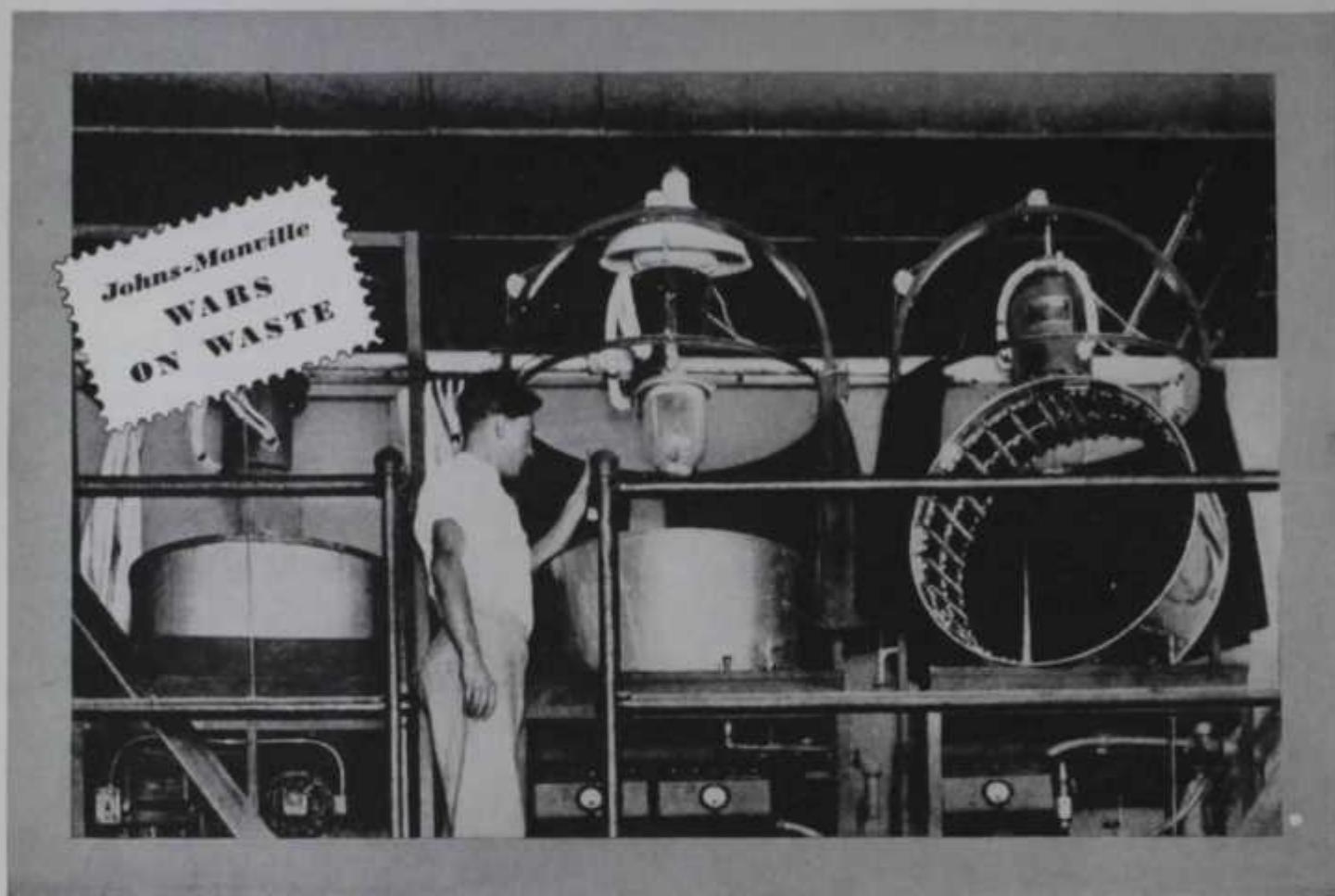
Not a little of the hue and cry against chains has originated with retailers who are neither qualified to compete with modern merchandising nor ambitious enough to learn how it can be done. This is borne out, it would seem, from the reports of secretaries in sections where "antichain" campaigns have been active. In one section



When autos block his curb he blows up—then finds his and his clerks' cars partly to blame

There are 365 days in a year

by "speeding up the weather," roofing facts
experimenting on the buyer



"Suddenly out of 10° below zero came a tropical downpour"

8.45 A.M. Weather changing fast. Cold wave coming. The thermometer dives—mercury almost lost in the bulb. 10° below zero . . . for nearly 2 hours. Now the thermometer shoots up—rain beats down. Thunderously. An inch of solid water every ten minutes. Suddenly the sun blazes out. Hot, almost instantly hot. Winter's frozen breath has changed to tropic heat—140° Fahrenheit. Water becomes steam . . . nothing. Ultra Violet Rays spray invisible darts. The atmosphere throbs like a pulse.

1.45 P.M. Rain . . . once more. Two violent hours of it. And then, with blazing torment, the renewed fire of UltraViolet Rays that scorch and sear and burn through the longwatches of the night . . . morning again.

This action takes place within the cycle of every 24 hours. Not on the slopes of Greenland's icy mountains . . . or the hot sands of the Sahara—but in New Jersey. Johns-Manville roofing materials are undergoing a J-M laboratory test—*concentrated weather*.

A year becomes a month in this remarkable laboratory. The forces of nature are duplicated, multiplied, within the area of a small room. Heat—but greater heat than most roofs are called upon to endure in actual use. Cold, but greater cold. Rain, but harder rain. Change—sudden change from heat to cold to heat again. Change, the deadliest foe of materials.

Thus the stamina of each type of Johns-Manville roofing is constantly measured

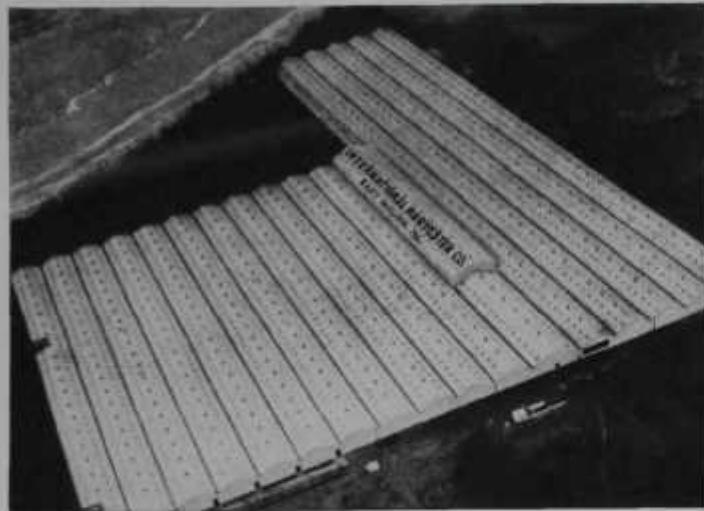
—kept standard. Thus new, more enduring materials are developed. Thus, in appraising the value and the endurance of Johns-Manville materials, certainty is substituted for guesswork.

The laboratories at Manville, N. J.—one of the most complete and best equipped institutions of its kind in the world—exist for the purpose of answering, scientifically, the two vital questions that concern you when buying a roof. How will it stand up? How long will it last?

Johns-Manville "speeds up the weather," actually reproduces natural forces to determine these answers. And for whatever purpose that roof serves—home—office building—factory—the exact answer is known in advance of purchase.

Johns-Manville month

are sifted from theories—without



"Aviators flying Moline-ward are also grateful"

*To perpetuate the
HANCOCK-CLARKE HOUSE*

WHEN American farmers and British troops traded pot shots for salvoes on Lexington Green, the Hancock-Clarke house (already 77 years old) was an architectural gem in that charming village. Recently the Lexington Historical Society, present guardians, decided that a house so rich in historic interest, must no longer be exposed to unnecessary fire hazards. (23% of the fires which burn houses start on the roofs.) A roof was sought which would harmonize with the lines of the Hancock-Clarke house, give permanent protection against fire and weather.

In Salem Shingles they found their melodic, non-burning roof. Johns-Manville architects had labored long to develop a type of roof which would meet all modern requirements, without shouting, "New! Modern!"

In the gray shades, Salem Shingles authoritatively reproduce the effect of the hand-hewn shingles of New England. In soft browns, greens, and reds, their usefulness extends beyond any single architectural period. They are literally a new medium. Because they are made of asbestos fibres and Portland cement, they are not only fireproof, but everlasting.



Without shouting "New! Modern!"

Johns-Manville

*Controls
HEAT, COLD, SOUND
Protects against
FIRE AND WEATHER*



34 Acres of J-M Transite

WHEN the International Harvester Company decided to put 34 acres under one roof at Moline, Ill., J-M Transite was selected—not only for the roof, but for the walls of the vast warehouse.

Transite, famed in industry for more than 25 years, was developed by J-M engineers from mineral products—asbestos fibres and Portland cement. They wanted a material which would do the work of corrugated iron, but do it better. When they finished their work, Transite and corrugated iron resembled each other only in form.

Beyond that, the similarity ceased. Asbestos fibres and Port-

land cement combined under a pressure of over 300,000 pounds to the square foot to produce a material that is dense, homogeneous. It won't burn, rust, rot. It isn't affected by fumes. It doesn't warp or crack under exposure. Nobody knows how long it will last, but certainly as long as the age-old minerals in it.

So the International Harvester Company has 34 acres of permanently protected space that will never cost a penny for upkeep . . . Aviators flying Moline-ward are also grateful for the selection of Transite. A 34-acre white spot is a landmark not easily overlooked.



"Re-roofer Peck will hold a celebration"

**OLD STATE CAPITOL
starts life anew**

SEVENTY years ago the roof of the State House at Montpelier, Vt., was sheathed with metal. Last year, Johns-Manville Rigid Roofinsul was spread over the weather-worn corroding metal. On top of this a J-M Super Class A Asbestos Roof was laid.

The roofer, Nelson Peck, Johns-Manville Approved Contractor in Montpelier, inspected the handiwork of his men on completion of the job. "It's a good re-roofing job," said Peck, 46 years in the business. "I'm planning to hold a celebration when this new roof is 25 years old."



A Detex Watchman's Clock

After business hours the most important equipment in the place is the Watchman's System. It alone gives positive evidence of the safeguarding of the value of plant equipment, stock, or furnishings—even the records of the firm. It checks the watchmen and gives its report in indisputable, unalterable form.

Nor was such value ever offered in watchmen's clocks as is now offered in Detex New Models—long the leading clocks of the world. All models have been strengthened and improved until today they offer the greatest value in durability, adaptability, freedom from repair and continuity of service.

If your equipment is not in A-1 shape, now is the time to renew it.

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ECO WATCHMAN'S CLOCKS
Approved by the Underwriters' Laboratories, Inc.
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NEW MODEL DETUX

Representatives in all large cities in America and abroad

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4153 Ravenswood Ave., Chicago, Ill.
Send me information on the new model Detux
Patrol Watchman's Clock.

Name.....

Address.....

City..... State.....

in particular, where antichain legislation has been sought vigorously, only two secretaries of a score reporting so much as mentioned chain stores.

But the secretaries did indicate a need for improved methods in retail establishments in these communities. One secretary from another section in which retailers ask consumers to buy from them solely because they are home institutions, reports:

The problem of discounts

"THE problem here is to get the home merchants to adopt modern methods which will enable them to meet the chains."

A number of interesting problems are reported from various points over the country. One secretary says:

"We face a difficult problem in the practice of large employing organizations requesting discounts for employees and the granting of company orders for merchandise for employees' benefit."

Another reports a grave situation developing from overzealous real-estate concerns which encourage men who obviously are not qualified to enter business, to lease quarters and begin in some line already crowded. Eventually the inefficient newcomer drops out through bankruptcy with heavy losses to all interested financially in him.

The responsibility is placed at the door of the real-estate concerns, although nothing is said in the report of "others interested in him financially" as contributing to the situation.

One secretary says the outstanding problem is in the large number of "gyp-outfits" that come into the community, open stores, close them in three to six months (selling out at fire-sale prices) and demoralize the entire retail situation. Another reports that large factories in the community permit canvassers to solicit business in the plants to the exclusion of home companies. In this report the problem is cited again of purchasing agents in large organizations selling merchandise at a discount to employees.

A problem frequently mentioned is the buy-at-home campaign, or means of inducing people to patronize home stores. Another is cooperative sales events, or the development of sales events participated in by all retailers of the community.

Other problems are the returned-goods evil, loss of business to mail-order houses, regulation of opening and closing hours of retail stores by agreement of proprietors, extension of trade territory, parking and traffic, and training of salespeople.

With few exceptions these reports in-

dicate that the secretary fully appreciates the nature of his retail problems. His concern is to stir his retailers to constructive effort. And the strange part of the situation is the small retailer's apparent indifference.

He is so very often content to continue with methods of 20 years ago, made obsolete by modern efficiency. In purely mechanical matters, however, as when the automobiles line his curbs and prevent mobile consumers from readily gaining entrance to his store, he comes to arms. Incidentally, he often learns that his car and his business neighbors' cars and those of their employees are responsible.

Problems such as itinerant vendors, loss of business to mail-order retail branches, retaining business at home and the chain store can be minimized by sound methods. Surely if the stores of any community are what they should be there need be no concern over new forms of competition.

Modernizing retail business

THE immediate need for correction of obsolete practices in retailing, emphasized by every agency interested in improving distribution, is reflected in an authoritative manner in these reports. The secretary, from his neutral position, views his flock of retailers with one thought only—how can he improve business in his city? What irony there is in the persistence of retailers in clinging to antiquated methods and their indifference in matters of self-improvement!

On the surface, this view of retailing appears a rather hopeless one. Yet it is most wholesome. In fact there is a vibrant note of optimism in it. The very fact that there is such a great need for the service which these secretaries are seeking to give is its own guaranty of continuance.

Failures in the retail field are no larger proportionately than ten years ago. The efficiently operated concerns improve from year to year. The hopelessly inefficient go out of business quickly. The group between will develop themselves, consciously or unconsciously accepting and employing the principles which make for success.

The research studies and practical surveys of government groups, trade associations, universities, business specialists, commercial organizations and others ultimately filter into the hands of the local chamber secretary. The relentless crusade for better retailing will be maintained. The degree of acceptance by retailers is certain to increase, slowly but surely.

Westinghouse

"COMPLETELY BALANCED"

Refrigerator



Another great Westinghouse achievement

Sales of the WESTINGHOUSE Refrigerator already set a fast pace for the production department

The almost magical significance of the name "WESTINGHOUSE" on anything electrical, is being dramatically demonstrated by the "Completely Balanced" WESTINGHOUSE Refrigerator.

Public faith in the ability of WESTINGHOUSE to excel in electric refrigeration has already produced a phenomenal harvest of sales.

Literally, the homes of America have said, "We will take all the WESTINGHOUSE Refrigerators you can make."

WESTINGHOUSE engineers, whose achievements in things electrical and mechanical are known the world over, devoted 12 years to the perfection of the "Completely Balanced" principle of the WESTINGHOUSE Refrigerator. Over 700 talented,

kitchen-trained women contributed ideas.

No features in the WESTINGHOUSE Refrigerator are over-emphasized (at the expense of others) for mere spectacular effects in selling. Fast-freezing, food preservation, operating cost, long life are all perfectly "balanced."

The result is a maximum of efficiency, dependability, long life and economy.

Other WESTINGHOUSE Refrigerator features which women, especially, applaud are: the Automatic Electric Froster; the "Safety-Zone" Food Compartment; the conveniently flat, easily cleaned Buffet Top; the hermetically-sealed Quiet Mechanism—overhead, yet completely concealed in the Buffet Top; the 7-point

Temperature Selector for fast freezing and de-frosting; Increased Shelf Area; Broom-high Legs—and the smart, custom-styled cabinets with the lines of fine furniture.

In our complete line of sizes priced upwards from \$180 f. o. b. factory, there is a WESTINGHOUSE Refrigerator for every home and apartment.

Any WESTINGHOUSE dealer will arrange convenient terms, with payments distributed over 12, 18 or even 24 months, as desired. He will also prove that, with a WESTINGHOUSE Refrigerator, savings of \$50 to \$150 yearly are possible in any home. Do you wonder that demand for the WESTINGHOUSE Refrigerator is so rapidly increasing?

**WESTINGHOUSE ELECTRIC
AND MANUFACTURING COMPANY**
Merchandising Department • Mansfield, Ohio

Tune in the WESTINGHOUSE Program every Sunday evening over KDKA, KYW, WBZ and other stations associated with the National Broadcasting Company

A few of the many other WESTINGHOUSE electric appliances



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SAFETY-ZONE
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MASTER-MATIC
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COLUMETTE
RADIO



WESTINGHOUSE
VACUUM
CLEANER



WESTINGHOUSE
DESIGN-AIRE
ELECTRIC FAN

*for
27 years*



the Remington Monarch has
had "free-wheeling" shift

WAY back in 1904 a radical improvement was made in the Remington Monarch typewriter, that has been standard ever since—the "free-wheeling" shift. When the Wright brothers were making their first flights, the Remington Monarch was giving wings to typewritten words.

To make capital letters on the Monarch, the light-weight type moves instead of the heavy carriage. The tons of effort this feature has saved shift fingers, over 27 years, cannot be estimated.

Yet the "free-wheeling" shift is but one of many features that persuade the alert executive to specify Remington Monarch. Knowing the importance to

business of mistake-free correspondence, he equips his typists with the machine they can operate without mistake-prompting fatigue.

Strike one of the Remington Monarch keys. You note at once its light and speedy touch. Finger shock is gone—those thousands of tiny jars that breed nervousness. Remington Monarch is a machine, that purrs out its daily grist of clean-cut letters, without strain or irritation to the operator.

If you want a speedy, light-running, fatigue-reducing typewriter—and who does not—try a Remington Monarch. We will be glad to demonstrate it in your office without obligation.

EFFICIENCY-MAKING
FEATURES
of the
**REMINGTON
MONARCH**

Segment shift for characters and capitals.
Visibility of the writing line.
Exceedingly light touch.



Accessible spools for ribbon change.
Extra wide carriages available.
Liftable paper fingers.
Large platen for spread of type impact.

and the *free-wheeling*
"free-wheeling"
shift!

Typewriter Division

Remington Rand
BUSINESS SERVICE
BUFFALO, NEW YORK

Socializing the Shoe String

(Continued from page 20)

people immediate relief. After that, we could take up less popular types of laces at our leisure."

"Very well," I said, "we'll prepare such a questionnaire. You'll have to help, of course, but we'll start whenever you're ready."

In a day or two we had the questionnaire in the mail. You probably got one as it went to our entire mailing list. I'll repeat it here:

This Bureau, in line with its constant policy of giving service to trade and industry, is conducting research into the field of shoe strings. To facilitate this research, we ask your replies to the following questions. The results of this questionnaire will be printed in pamphlet form as soon as possible and distributed through the Government Printing Office.

1. How many pairs shoe strings do you consume annually?
 - A. In tan high shoes?
 - B. In black high shoes?
 - C. In tan low shoes?
 - D. In black low shoes?
 - E. In shoes of other colors?
2. When shoe strings break do you
 - A. Replace them at once?
 - B. Knot them and continue them in use?
 - C. Preserve them for other uses?
 - D. Replace them with laces from other shoes?
3. When shoes wear out before the laces have given full service do you
 - A. Discard laces with shoes?
 - B. Preserve the laces for future use in other shoes?
 - C. Preserve the laces for other uses, say picture hanging or the securing of bundles?
4. In buying shoe strings do you
 - A. Purchase only as needed?
 - B. Buy extra shoe strings when purchasing new shoes?
5. When necessary to install new shoe strings do you
 - A. Install them yourself?
 - B. Have them installed at a shining parlor?
6. Do you get better service from
 - A. Flat strings in tan?
 - B. Round strings in tan?
 - C. Flat strings in black?
 - D. Round strings in black?
 - E. If other types, describe them.
7. Do you purchase shoe strings only for lacing shoes or for other uses as well? If for other uses, please list

"I believe that will give us a good picture of the shoe-string situation," Potter said. "Of course we will need extra clerical help to tabulate the replies and, perhaps, editorial assistance in preparing the results for publication."

"That can easily be arranged," I said. I am not convinced that the question-

nnaire helped Potter much as such. It made an imposing mass of evidence, however, for the Chief when he went before Congress again to get a new appropriation. He and I had a long discussion with Potter in estimating the sum we would need. It was evident at once that \$25,000 would not be enough.

"We have rent to pay on the building, of course," Potter pointed out. "Our personnel has increased considerably as we need mechanics to keep our machinery in repair, clerical help, janitors, and many others in addition to our regular scientific staff. Moreover, we need much new equipment and several more dye chemists in our chemical division."

I had gotten a little behind on the shoe-string investigation.

"What is the chemical division for?" I asked.

The chemistry of shoe strings

"WHY." Potter said, "since shoe strings are never used in their natural colors, our study could not progress beyond a certain point until we determined the properties of the various dyes used on them. That opened up an amazingly wide field as it was necessary for us to analyze all the various dyes. We are trying to perfect a preservative dye for use on shoe strings. The subject of dyes naturally led to the subject of shoe polishes. So our chemical laboratories are busy on these two products. Some of the ingredients come from other countries so we have our legal staff studying the question of tariffs."

"How much does this chemical division cost?" I asked.

"Oh," Potter said, "if the work is to be done as it should be, it will take many thousands of dollars. In fact that and our research into metals are the most expensive divisions that we have."

"Why do we study metals?" I asked.

"Because the eyelets are made of metal and are the chief cause of the abrasion of shoe strings. If we can determine what metals are best for this use we can probably double the life of shoe strings. The question of proper lacquers for coating these eyelets also enters but, because of lack of funds, we have been unable to take that up. We hope to, though, if we can get sufficient money from this Congress."

We finally agreed to ask for \$125,000

for shoe-string research and the Chief went before the appropriations committees. He had a bad time, I believe, but the public interest indicated by those questionnaires helped him. We got \$100,000. It made the appropriation for our Bureau one of the largest ever asked. The Chief was pretty proud.

New fields for expansion

BUT pride changed to disappointment very soon. He summoned Potter and me to look at a letter from the Shoe Button Manufacturers' Association. They actually praised our investigation of shoe strings, commanding it as a step in the right direction and prayed that it would be extended to include shoe buttons.

"Since you are giving this assistance to a rival industry," the letter said, "certainly you cannot refuse similar aid to our industry which, at the present time, is in far more serious straits than are the shoe-string manufacturers."

"We must heed this plea from business," the Chief said, "but what can we do now? Had we only received it earlier we could have used it before the appropriations committees and obtained increased funds for this work."

"I'm afraid," Potter said, "we can't undertake it right now. Even if it were proper under the enabling act—which I doubt—we have no funds. Even now, I doubt if we shall be able to carry on the work of leather research as it should be carried on."

He never ceased to astonish me.

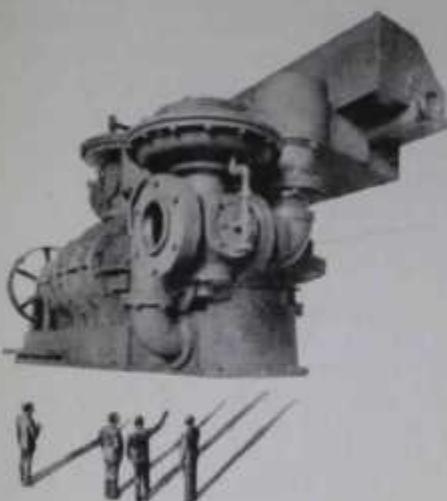
"Leather research?"

He turned mild eyes at me.

"Certainly," he said. "We began it as a study of leather shoe laces. Lately, however, we have had to increase its scope because our study of the problem of eyelets necessitated wider knowledge in this field. The matter of spacing eyelets and the angle at which the shoe string enters also affects the life of the string. A straight pull on the string may be preferable to one in which the strings are pulled at an abrupt angle. To make these studies it was necessary to install the eyelets in leather just as they are set in actual use. We found some leathers better than others for this purpose. So we are studying all leathers—and tanning processes."

"Well," the Chief said, "we must write these people that we have no funds for

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this work and urge them to write to congressmen. This money may be incorporated in the next appropriation."

It was also funds for carrying on thorough research into the ductility of metals. This question was most important, as Potter pointed out.

"We have been experimenting," he said, "with a thread of metal in shoe strings. In fact, we have gotten out a pamphlet on the possibilities of this departure. A metal thread could be so placed as to take a great portion of the strain off the other threads of the string. The difficulty was to find a metal that was serviceable. We tried copper, but no present copper will stand the constant bending and straightening. Neither does it make a satisfactory knot. We tried other metals but none seemed to serve. So now we are conducting extensive experiments into the ductility of metal. We will need a great deal of money for this work."

Buttons added to shoe strings

WE ASKED \$500,000 for shoe-string research and additional funds to begin the study of shoe buttons. At the last moment, however, our program was disturbed. Other button manufacturers demanded equal privileges with the shoe button makers. We hastily revised our estimates to cover the whole field of buttons. We got the money but it was a long tussle and the Chief was worn and grouchy afterwards, even though his Bureau had a larger appropriation than any other single bureau in government service.

Several senators made disparaging remarks about the work and its cost. They wanted to know what the results had been. The Chief took Potter to the hearings. The senators asked questions. But Potter had answers. If they didn't make sense they at least showed a wide knowledge of shoe strings. Potter insisted we were on the threshold of important developments. We were, but he didn't know it. He didn't even recognize them when they happened.

The letters from the button makers were effective, too.

Everybody relaxed thankfully when the bill went through. I thought I never wanted to hear about shoe strings again.

So I wasn't very agreeable when Potter came into my office a few days later and laid two strings on my desk.

"Put those in your shoes," he said, "and your shoe-string worries are ended."

I picked them up.

"What are these things?" I asked.

"Shoe strings. We made them and

I believe you'll find them superior to any strings you ever used."

"H-mm," I said, "how many pairs have you made?"

"Several," Potter said, "though we are using most of them for experimental purposes."

"How fast can you produce them?"

"Not rapidly with our present equipment. Why?"

I'm not the excitable type, usually, but I jumped up then. I grabbed Potter by the arm and dragged him toward the Chief's office. The Chief takes the credit today, but the idea was originally mine.

I burst into his office with Potter in one hand and the shoe strings in the other. I shook the strings under his nose.

"Chief," I said, "look! Shoe strings." He was startled.

"Of course," he said, "so they are."

"Potter made 'em," I went on when I had caught my breath.

"Well," the Chief said, "what of it?" Even then he didn't get the idea.

"If he made these, he can make others. With proper equipment he could make them in quantities. The best shoe strings in the world, he says."

The Chief's face lighted.

"By Jove," he said.

Potter shook himself loose.

"I don't understand," he said.

The Chief looked at him disgustedly.

"It's perfectly obvious," he said. "The Bureau will manufacture shoe strings."

"But," Potter protested, "to get the best value out of these strings, one would have to use the eyelets we have developed."

"We'll sell the eyelets, too," the Chief shouted.

"But the eyelets, to be effective, should be properly spaced. It would be necessary to have shoes made to special specifications."

"Then we could make shoes," I said.

"But," Potter complained, "to make shoes efficiently, it would be necessary to make some other products in which to use scrap leather left after the shoes were cut out."

"Then we'll make those products," the Chief said.

"But," Potter protested, "we haven't the machinery for these enterprises, and our present appropriation will not finance it."

"In that case," the Chief said, "we must have a larger appropriation. We must buy this machinery. We will give the public better shoe strings more cheaply than any commercial company can make them. We will reduce the national shoe-string bill—thus saving the public and the Government a great deal of money."

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Suiting Our Bridges to the Times

(Continued from page 51)

reached. The recently completed foundations of the Carquinez Bridge in California go down through 90 feet of water in swift current to a depth of 135 feet below the water surface. In sinking the foundations of the Hell Gate Arch Bridge, a chasm was encountered in the underlying rock and this was bridged by a concrete arch built under the caissons, 70 feet below the surface of the water. Such improvements in the art of building foundations have extended the range of feasibility of bridge projects.

Bridges are more scientific

THE mathematical theory of the analysis and design of bridges has been vastly extended and improved in recent years. The economic proportioning of a structure can be determined by modern analysis. Every pound of metal can now be placed where it will do the most good. The load capacity of a structure is now known.

The clumsy, massive designs of the past are now being outrivaled by more graceful, yet more scientific designs. Stronger and more efficient structures can now be built with a small expenditure of material. In the case of the Florianopolis Bridge, the introduction of a more scientific design produced a structure four times as rigid with only two-thirds as much metal in the stiffening truss.

Erection methods have been vastly improved in efficiency, safety and speed. The use of cumbersome falsework has been reduced to a minimum. The Brooklyn Bridge took more than ten years to build; a modern bridge of equal or greater magnitude is built in four years or less.

The artistic design of bridges has been greatly developed. Early steel bridges were purely utilitarian and some, like the Forth Bridge, were merely expressions of brutal power and strength. We are now coming to realize that bridges are an index of progress and civilization, and that any large bridge should be designed with a view to fine architectural effect. That much is due to a civilized age; to do less is to violate our responsibility to our profession, our duty to the civilization in which we live, and our obligations to the community in which the bridge is built. The highest artistic

qualities of design are particularly important in a monumental bridge erected in a great metropolis. The recognition of these requirements is bringing about a new era of beauty in bridges.

The Hell Gate Bridge at New York, completed in 1917, is the heaviest bridge in the world, being designed to carry a total load of 76,000 pounds per lineal foot. Of this, 24,000 pounds per foot represents the weight of the moving trains. The remaining 52,000 pounds per foot is the weight of the structure itself—greater than the combined weights of the Manhattan and Queensboro structures, which had previously been the heaviest bridges in the world.

The Quebec Bridge, after two unsuccessful attempts, was completed in 1917. It is the world's longest cantilever span. The lessons learned from the two Quebec disasters have contributed to engineering knowledge and practice. To the world, the Quebec Bridge stands as a monument to indomitable courage and persistent determination. At the price of two great catastrophes, the world's record span length had been increased from 1,700 to 1,800 feet.

Designed against earthquakes

IN THE Carquinez Strait Bridge, completed in 1927, silicon steel compression members and heat-treated eyebars were used. This span, completing the Pacific coastal highway system extending from Canada to Mexico, was proportioned for earthquake forces and designed with special protective details. Improved erection methods made it possible to raise the central span of this bridge in place in 35 minutes. Only ten years earlier, it required 96 hours to lift the central span of the Quebec Bridge.

There are two outstanding eyebar bridges, the Elizabeth Bridge over the Danube at Budapest and the Florianopolis Bridge in Brazil. The first was built in 1903 and the second by American engineers in 1926. The erection of the eyebar cables at Budapest took one year; at Florianopolis the eyebar cables were completely erected in two months.

As bridges have been removed from the class of public conveniences to become public utilities, toll bridges have come into being. Private capital, with initiative and vision, has been willing to invest heavily in such structures. Such

enterprises are a real contribution to public welfare, and should be encouraged. Much more capital would go into bridge building did the federal officials in Washington but hold a more liberal attitude toward the subject. They could greatly add to the convenience of road traffic, open up many more localities to development, improvements and habitation, did they but withdraw their opposition to the construction of private toll bridges.

Take the case of the Mount Hope Bridge, completed in 1929, a privately owned toll bridge that is "taking the island out of Rhode Island." This bridge replaced a ferry that had been operating for 250 years. But the ferry had never carried more than 300 cars in a day, whereas the new bridge carried 10,000 cars in a single day and has since been serving 14 times the previous average ferry traffic.

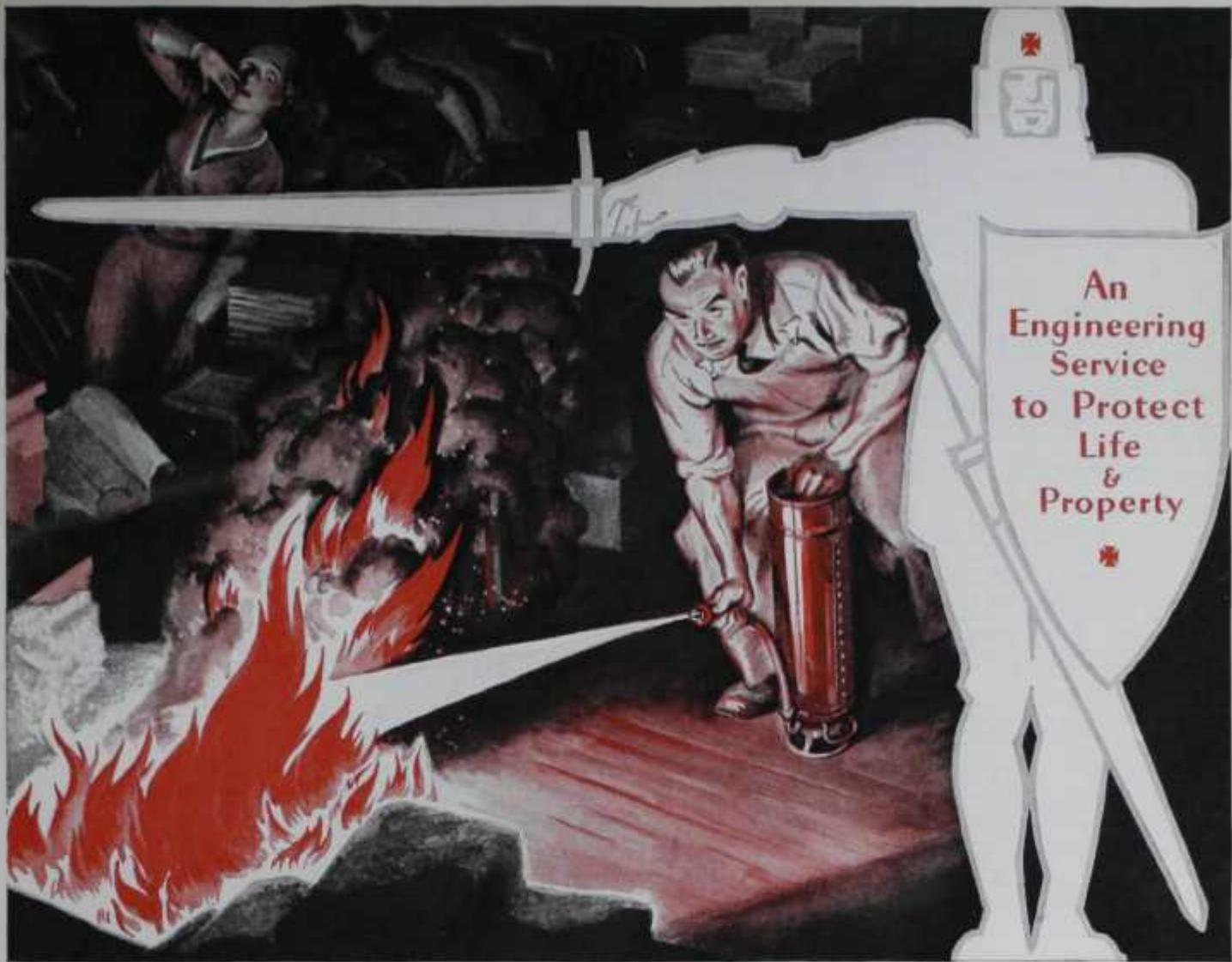
205 feet above water

THE St. Johns Bridge, now being built at Portland, Ore., will have a main span of 1,207 feet, the longest span of any bridge west of Detroit. Its required underclearance of 205 feet, above navigable water, also establishes a record. It will be the longest suspension span built with twisted strand cables, a departure from the conventional parallel wire construction.

Following comparative designs and estimates, the suspension design was adopted for its superior efficiency, economy, and beauty. The saving over the corresponding cantilever design was \$640,000.

In the layout and design of the St. Johns Bridge, the desire to obtain a beautiful public structure was a governing consideration. The selection of the suspension type, with its natural graceful cable curves and harmonic composition, was the first step in that direction. The development of the lofty steel towers (408 feet high), to give outlines in steel that would express the harmonious combination of beauty and strength, led to the adoption of Gothic forms as the dominant motif.

Each tower consists of two main vertical columns, 52 feet center to center, supplemented by outside batter legs for additional transverse bracing. The combination of vertical legs for direct load



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with batter legs for bracing produces a highly satisfying solution of the aesthetic problem of high tower design for suspension bridges. As dominant features of the tower design, lofty Gothic arches are provided both above and below the roadway. The effectiveness of the Gothic arches in the towers of the Mount Hope Bridge prompted the adoption and further development of this motif in the design of the St. Johns Bridge. The tower legs are of cruciform section, to give the beauty of contrasting relief as well as for structural efficiency.

A bridge of beauty

IN THE character of the dominant tower design, substituting buttressed columns and arched outlines for the conventional utilitarian X-bracing; in the gracefulness and rhythm of the approach spans, supported on an impressive arcade of piers of ascending height; in the harmonious development of all the architectural features; and in the ensemble presenting a pleasing and impressive view from so many different angles, it is confidently believed that the St. Johns Bridge will establish a new mark in artistic bridge design.

That beauty can be obtained in large steel bridges without sacrificing utility or economy is demonstrated by the fact that the St. Johns Bridge, built with a four-lane roadway, is being constructed at a total cost that will leave, unexpended, a half-million dollars of the original appropriation (\$4,250,000) which contemplated only a three-lane structure.

The suspension bridge, beyond its advantages of appearance, economy and longevity over other bridge types for moderate spans, is recognized as the

only bridge-type economically suitable for the very longest spans. The Ambassador Bridge at Detroit, with its span of 1,850 feet (the longest thus far completed), and the record-breaking 3,500-foot span of the Hudson River Bridge at New York, rapidly approaching completion, are outstanding examples.

Now engineers propose to span the Hudson River at Fifty-seventh Street, New York City, the War Department willing, with a bridge many times the capacity of the Brooklyn Bridge, accommodating railroads and rapid transit trains as well as vehicular traffic. This would have a span of 3,600 feet, 100 feet longer than the Hudson River Bridge now building at One-hundred and Seventy-eighth Street, New York. Across the Golden Gate at San Francisco, engineers are designing a bridge to have a clear span between towers of 4,200 feet, and across the Narrows of the New York Harbor, a bridge to have a span length of 4,500 feet.

The Narrows Bridge at New York is truly a monumental conception. The towers will be of steel, since the height (800 feet) practically prohibits the use of masonry. No attempt will be made to mask the towers in concrete or stone; instead, every effort will be made to develop the highest artistic possibilities in a steel tower design. The appropriate and expressive vertical Gothic treatment will be applied to the architectural design of the towers.

There is a distinctive beauty in steel that we are just beginning to appreciate. We have in steel a material that possesses the highest potentialities for expressing the harmonious union of beauty and strength. The full possibilities of making steel structures beautiful have not yet been realized.



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A New Chapter in the STORY of STEEL

From the primitive uses of iron to the modern uses of steel there have been many steps; and occasionally one has marked a signal advance for the arts of civilization. Such a step, beyond doubt, has been taken in the recent discoveries relating to the chromium and chromium-nickel alloy steels.

A group of subsidiary companies of the United States Steel Corporation have applied research and effort unsparingly for years in developing these new stainless low-carbon steels for a wide range of uses. The Department of Research and Technology of the Corporation has supplemented their work. Also, by arrangement with the Krupp interests of Germany, the processes controlled by that firm have been made available.

Buyers and users of metals are invited to correspond with the subsidiary companies named below, according to the indicated forms of the material that each produces — and information will be gladly given.



American Sheet and Tin Plate Company, Pittsburgh
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American Steel & Wire Company, Chicago
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Illinois Steel Company, Chicago
Bars, Plates, Shapes, Special Sections and Semi-Finished Products

National Tube Company, Pittsburgh
Pipe and Tubular Products

Pacific Coast Distributors: **COLUMBIA STEEL COMPANY**, San Francisco
Export Distributors: **U.S. STEEL PRODUCTS COMPANY**, New York City

TO THE EDITOR . . .

★ READING letters from subscribers remains one of the greatest joys to all members of an editorial staff. This is particularly true of a business magazine. When a busy man takes the trouble to praise, complain, or make a comment, he usually has something worth saying

• Railroad Should Win

TO THE EDITOR:

After reading NATION'S BUSINESS I frequently think of things I would like to say to you or to Mr. Barnes. He and I come from northern Minnesota, the backyard of the great Northwest.

I care for and equip and superintend operations of trucks that are operating as much as 80,000 miles a year. These trucks weigh one pound for each two pounds of pay load that they carry. They do this over average California highways, day in and day out.

Our haul is one way, mainly. Railroads use cars that carry a pound of pay load maximum for each pound of car, but they require power units extra, and their average speed is not greater than ours (33 miles per hour). Railroads use smooth heavy rails instead of average highways. Railroads pay about one-third billion dollars a year in taxes, while trucks, etc., I believe, pay about one-quarter billion dollars.

Trucks operate small single and double units, while the rails insist on coupling several cars together. Rails use old-fashioned plain bearings in most cases in their moving antifriction parts and their efforts to reclaim oil and waste make one smile pityingly. Trucks operate with antifriction roller and ball bearings wherever it is possible and I have used lubricating oil in one vehicle without change in some cases for 15,000 miles and removed it for an analysis which showed that it was still in very good condition for further use.

It should be impossible for a bus line to parallel a railroad and carry passengers as fast, as safely, as cheaply or as comfortably as railroad cars of a similar type. Every advantage is with the railroad.

This letter will let you know that I appreciate what I get out of your magazine in the line of information and that I have profited by it in a small financial way, as I seem to have guessed the bottom of the stock market in several cases very accurately.

FRANK A. ROSE

San Diego, Calif.

• Washed Air

TO THE EDITOR:

There is a new industry that seems to be on the tip of everyone's tongue, air

conditioning, for small homes as well as for larger buildings. For the cost of a good hot water heating job I can put into any man's home an air conditioning plant that will give his family ventilation, controlled humidity, washed and clean air, and controlled temperature the year around.

There is nothing new about it. In fact that same type of equipment could have been had ten years ago. But knowing the size of the job ahead, even in telling the story of health and comfort to the public, I knew that it was a job for some established manufacturer, rather than for me to tackle it alone. It would be like building my own automobile.

I've talked to at least fifty out of a possible one thousand manufacturers who are all equipped with machinery to turn out these products now. With what results? They are thinking it over. And some have been doing that for two years with part of their plants idle.

So I'd like to ask you a couple of questions. You probably know more manufacturers than any other one man in the country. Are these business leaders of ours getting soft? Are they thinking more about raising their stock values than they are about looking ahead to the possibilities of what new products and new markets would mean to them?

JAY BARTON
*Heating and Ventilating Engineering Co.
Chicago, Ill.*

• Pop

TO THE EDITOR:

Our Legislature will soon be in session again, and there are all sorts of rumors as to more and more taxes to come.

I am in the bottling business as shown above. I operate a small plant with only two trucks. I pay six different forms of taxes within the state, which amount to \$407.00 a year or about \$34.00 a month.

We are now advised that the Legislature is considering putting on an additional Luxury Tax of 1c a bottle on all soft drinks.

That will be 24c a case which will necessitate the changing of the retail price of Soft Drinks from 5c to 6c per bottle.

South Carolina did this trick a year or so ago and it has resulted in putting 51 bottling plants out of business in that state since the passage of the bill. That law will

almost ruin the bottling business as the people will not tolerate nor patronize a 6c drink business as they will not bother with penny business for a drink.

J. E. HILL

*Nehi Bottling Company
Plant City, Fla.*

• On Welding

TO THE EDITOR:

We have noticed with interest the article in your February issue on overland pipe lines.

We were very much interested in the statements of your author with respect to trends in connection with pipe jointing and especially with the comparisons drawn between methods of welding pipe joints and other methods of coupling.

It might be of interest to you to know, if you do not already have the figures, that during 1930, 71.99 per cent of the mileage of overland pipe lines was oxy-acetylene welded. Included in this total were the four longest lines laid during the year. These four long oxy-acetylene welded lines represented more mileage alone than that laid by all other methods of joining in use.

T. C. FETHERSTON
*Manager Technical Publicity Dept.
The Linde Air Products Company
New York, N. Y.*

• Correction

TO THE EDITOR:

Without wishing to take away from Mr. William Cooper Procter even an iota of the glory and credit to which he is so richly entitled for the wonderful work he has done in solving the employment problem in his establishment, I feel that in the interest of the truth you will be glad to get the information that the Saturday half holiday in this country was inaugurated by George Westinghouse, the inventor and manufacturer of the Air Brake, who established that custom in his factory in Pittsburgh, Pa., in June, 1871.

ERNEST H. HEINRICHS
*Westinghouse Air Brake Company
Pittsburgh, Pa.*

• Deplorable

TO THE EDITOR:

No one will deny that the business of feeding the World, in all of its ramifications, is the biggest single business we have with us.

What is the present condition of every branch of the food business, beginning with the farmer and ending with the retail distributor or dispenser of foods? This question can best be answered by each individual branch of the industry, although we

Again MARCHANT scores!

TWO Calculators in ONE!

Once more Marchant leads the field by building a calculator that figures extensions and also accumulates them automatically! The new Marchant Duplex does the work of two machines...sub-totals and grand total on the same machine at the same time.

A remarkable step forward, a great time and labor saver on invoices, payrolls, inventories, estimates...any calculation involving extensions that have to be totaled.

Automatic mills clearance, too! The Marchant Duplex automatically rounds out each calculation to the nearest cent in transferring it to the accumulator.

No other calculator can give you these remarkable improvements...added evidence of leadership, of a long history of exclusive improvements and special features that have helped make Marchant figuring the fastest in the world.

Every organization that depends upon quick, accurate figuring should investigate the new Marchant Duplex Calculator at once. Try it out on your own work. You will be amazed at its duplex feature, its time-saving speed, its effortless operation.

Phone our local representative or use the coupon. Sales and service offices the world over.

*"I'm leading a double life!
The Marchant and I are
doing the work of two
girls and two calculators
and doing it faster!"*

MARCHANT *Duplex* ELECTRIC CALCULATOR

Fastest Figuring in the World!



Adds
Subtracts
Multiplies
Divides
ACCUMULATES

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MAIL this Coupon... NOW

Marchant Calculating Machine Co.
Dept. 226, Oakland, Calif.

Please send me free literature and full information about the Marchant Duplex Calculator.

115

Name _____

Firm _____

Address _____

City and State _____

18 years building calculators
... electric hand operated
and portable models. As
low as \$125

**Via Speedway or
Honolulu routes...**

"GOING EMPRESS"

saves 2 Days!

- Quickest passage across the Pacific? Take Empress of Asia or Empress of Russia, famous "commuter" liners on the *Speedway Route*, direct from Vancouver (with ship-side train connections) and Victoria. Save 2 days to Yokohama, 4 days to Hong Kong.
- Want to go the *Honolulu Route* and still save time? The huge Empress of Canada and new 23-knot Empress of Japan are the Pacific's "last-word" giantesses. Connections at Honolulu with San Francisco and Los Angeles sailings. Saving of 4 days to Manila.
- Not only are Empress of Japan and Empress of Canada the largest, fastest on the Pacific. They provide travel luxury of 1931 transatlantic levels. Panelled lounges... faultlessly-appointed, residence-like staterooms... sports decks, gyms and swimming pools keep you fit... a radio paper keeps you abreast of the times. The cuisine is exquisitely prepared... the service deft, attentive, "of the Orient."
- In addition to First Class, all Empresses now offer a Cabin Class. Its lower-rate comfort and spaciousness are making it the talk of the Pacific.
- Independent travel-touring round-the-world... Orient conducted tours with Canadian Pacific's veteran travel "know-how."

**Low-cost Round Trip Summer
Fares! "First" from \$450...
"Cabin" from \$285**

Information, booklets with itineraries and rates, also reservations from your own agent or Canadian Pacific: New York, Chicago, Montreal and 32 other cities in U. S. and Canada.

**TO THE
ORIENT**
Canadian
Pacific

WORLD'S GREATEST TRAVEL SYSTEM

HONOLULU
YOKOHAMA
KOBE
NAGASAKI
SHANGHAI
HONG KONG
MANILA

When writing to a CANADIAN PACIFIC agent please mention Nation's Business

all know that the entire food business is in a very deplorable state.

It is hopeless for industry in the United States to expect prosperous times if we continue to beat down food prices. If we had time to get the facts and figures it would be easy to show that there are more people employed in all branches of the food business than there are in any other single industry.

If the capital invested in the growing, packaging, transportation and distribution of food is called upon to continue to operate at a loss and the millions employed in this industry have to work for steadily decreasing wages, the buying power of the Nation will be reduced in the same proportion.

G. G. GEYER
General Manager

The Gebhardt Chili Powder Co.,
San Antonio, Texas

♦ Merge or Submerge

TO THE EDITOR:

We have Government in business because we business men were willing to let the farmer drag along and let him do the best he could. We merged but we said to him—"It isn't good for you to merge." We looked for subsidies but we told him that he was not entitled to it. So, being confused all through this maze he decided that Uncle Sam would be a good partner.

Greed of business put the Government in business and it will put them into the power business too unless they get down to brass tacks and stop fooling the public with trick boodkeeping and if they get into politics instead of making and selling power. Efficiency and merging can be made into ridiculous extremes. Why doesn't someone propose we all wear one uniform; eat one food in pill form; think alike; be fed and sheltered in one place by one corporation?

B. J. THOMAS
Lancaster, Pa.

♦ Renews

TO THE EDITOR:

Have read with interest the article in April's NATION'S BUSINESS, "Business Is Afraid of the Truth" by Alvan T. Simonds.

Am sorry to hear that your magazine is guilty of what Mr. Simonds complains of. Not being an editor I assume that this is the course you have to take though it appears that we "Common People" pay the freight as usual.

Because of your footnote on page 24 acknowledging "guilty" I am sending a check for \$7.50 to renew my subscription for three years.

D. A. WOODMAN
President
Duncan A. Woodman, Inc.,
New York, N. Y.

In his article Mr. Simonds explained that he had submitted an article to "one of the leading business magazines" in February 1929, but that he was turned down on the grounds that it struck too pessimistic a note. The footnote referred to in the above letter explained that the magazine to which reference was made is NATION'S BUSINESS. Thus frankness wins a renewal and confidence of at least one reader.

THE EDITOR

Bush helps Beech-Nut serve fresh Coffee

WHEN Beech-Nut added coffee to their well-known line of food products they faced new manufacturing and distribution problems. How could Beech-Nut Coffee be delivered economically to the nation's breakfast tables? Where were the essential pier-side facilities for receiving raw coffees from South America and the Far East?

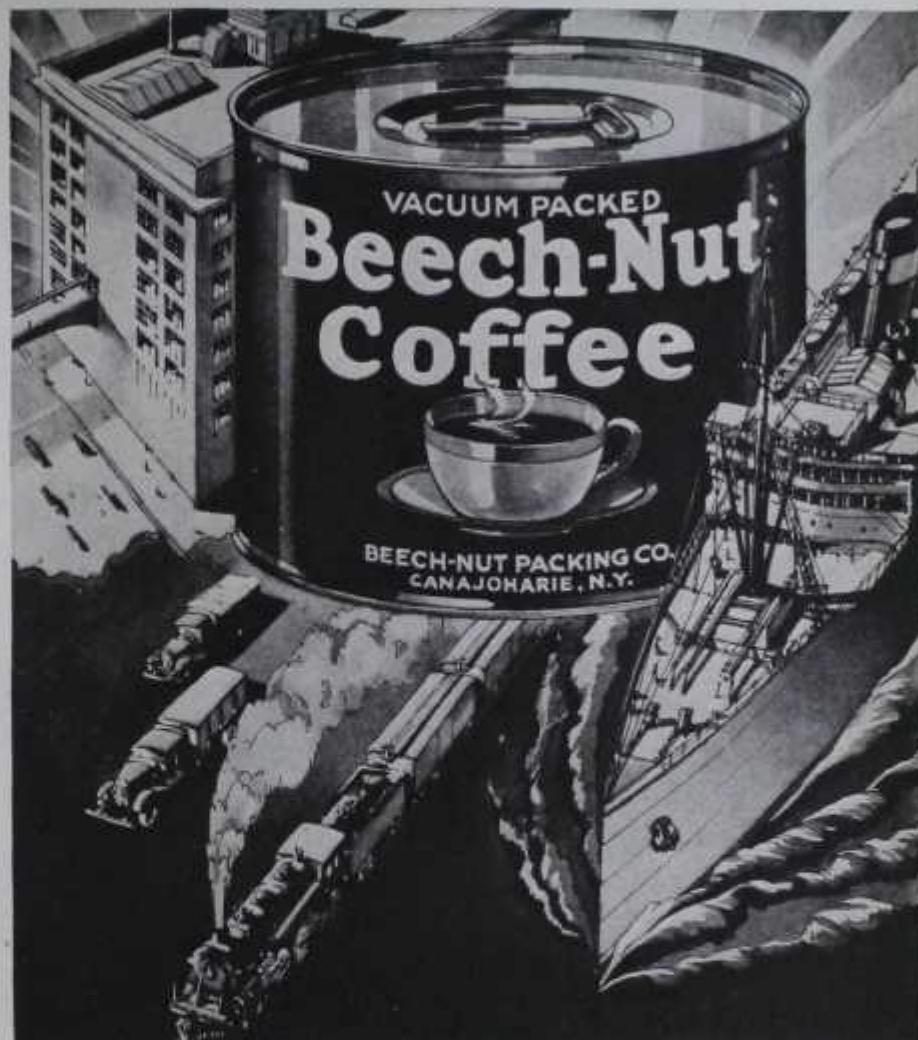
The solution was found within their own experience. Beech-Nut candy and chewing gum had been manufactured at Bush Terminal for many years. So Beech-Nut decided to roast and pack their coffee also at Bush Terminal, right on New York harbor and at the very gates of the largest single market in the world, with incoming and outgoing freight literally at the door.

This comment from Beech-Nut is interesting: "After eighteen years' occupancy of Bush buildings and use of Bush facilities we are convinced that location, service and costs could not be bettered."

Manufacturer saved more than

55%

A manufacturer actually cut his production costs in two when he moved to Bush Terminal. Total annual costs before, \$50,380. Total annual costs after, \$22,380. 55½% saved! Insurance premiums cut from \$4,200 to \$180. Power costs were \$5,300, now \$3,600. Two foremen's pay \$4,600 instead of \$13,800 for six foremen. Labor receiving raw material reduced from \$6,000 to \$2,000. Cost of trucking from railroad (\$9,000) eliminated. Great gains in quick deliveries and smooth production.



At Bush Terminal a broad, flexible, varied service provides production economies and distribution efficiency. Seven enormous ocean steamship piers; miles of railway sidings; massive warehouses; 6,000,000 square feet of floor space; cold storage; power, steam and heat in any quantities. Highest standards in receiving, storing and delivering goods and unrivaled facilities on an "industrial apartment house" basis.

How can Bush help your Business?

We can't tell you in this advertisement except to say that Bush has solved and is solving so many diverse problems of production and distribution that it's hard to imagine any manufacturer or distributor serving the metropolitan area who could not be helped by Bush. Ask us for fuller details of the main service rendered by Bush. Descriptive literature on production and distribution will be mailed you on request. Specific questions will be answered in full by Bush expert service men, thoroughly equipped by long experience to help you discover just how Bush can help your business.

BUSH TERMINAL COMPANY

Metropolitan Facilities for DISTRIBUTION, WAREHOUSING and MANUFACTURING

Executive Offices: 100 Broad St., Dept. N, New York

Piers, Sidings, Warehouses, Truck Depot, and Manufacturing Lofts on New York Bay

FOREIGN DISTRIBUTION — BUSH SERVICE CORPORATION

THIS IS THE YEAR OF THE LONG LOOK



AS A READER OF

Nation's Business, you find the magazine interesting and helpful. But have you thought of Nation's Business as a medium for your own advertising?

Take a look at Nation's Business as an advertising medium. This is a year to cultivate intensively those fields that promise the richest yield. The business market stands first because business organizations must buy as long as they continue to operate.

This is a year in which sales will be easier and rewards greater in the business market than in any other.

The business market is covered more thoroughly at less cost by Nation's Business than by any other magazine.

Take a look at market coverage. Definite checks of executive lists against Nation's Business subscriber cards show Nation's Business reaches an average of four executives in at least 84% of the leading business firms in

any field. For instance, Nation's Business reaches officers and directors in:

84% of 4,751 manufacturing establishments capitalized for a million or more.

97% of the firms having stock listed on the New York Exchange.

100% of the 100 largest United States Corporations.

85% of all the banks in towns of 10,000 and more population.

97% of the 150 leading magazine advertisers.

Complete details of these and 162 similar surveys are available. Nation's Business continues to provide more exact information for the guidance of wise advertisers and their agents than any business magazine ever has offered.

NATION'S BUSINESS • Washington

If I Were a Main Street Banker

Random ideas of a city bank president



DECORATIONS BY GEORGE LOHR



BANKERS are too conservative, slow-moving and conventional, says the city banker who muses here as to what he would do if transplanted to a small town.

He would smash traditions like a child among phonograph records. Whatever you think of his ideas you will agree when he says, "I'd make myself a lot of work but I'd have a lot of fun"

ONCE-BANK towns. There are a lot of them in the country! Probably the president got his job, along with his money, from his father or grandfather. He inherited the dignity along with the job. He knows just how a banker ought to be treated—just how carefully a banker must hold to precedent to avoid criticism or loss—just how conservative and slow-moving and conventional a safe bank must be.

Most of that is bunk.

I'm not in a one-bank town myself, but I've seen a lot of banks that were. For that matter, I never expected to settle in a town as small as the one I'm in. It has nearly a quarter of a million people but I call that small. I like the big centers.

Life to me means the stimuli and contacts and ideas you get in a big city. They wake you up. They give you new problems, new

vigor, new people. In a small town I have to fight to avoid choking to death.

So just because I've had to work out methods of my own in developing our small city bank, I'm going to theorize for a while on the small town banker's job. Let me daydream as to how I'd tackle your job if I were a banker in what I call a one-bank town.

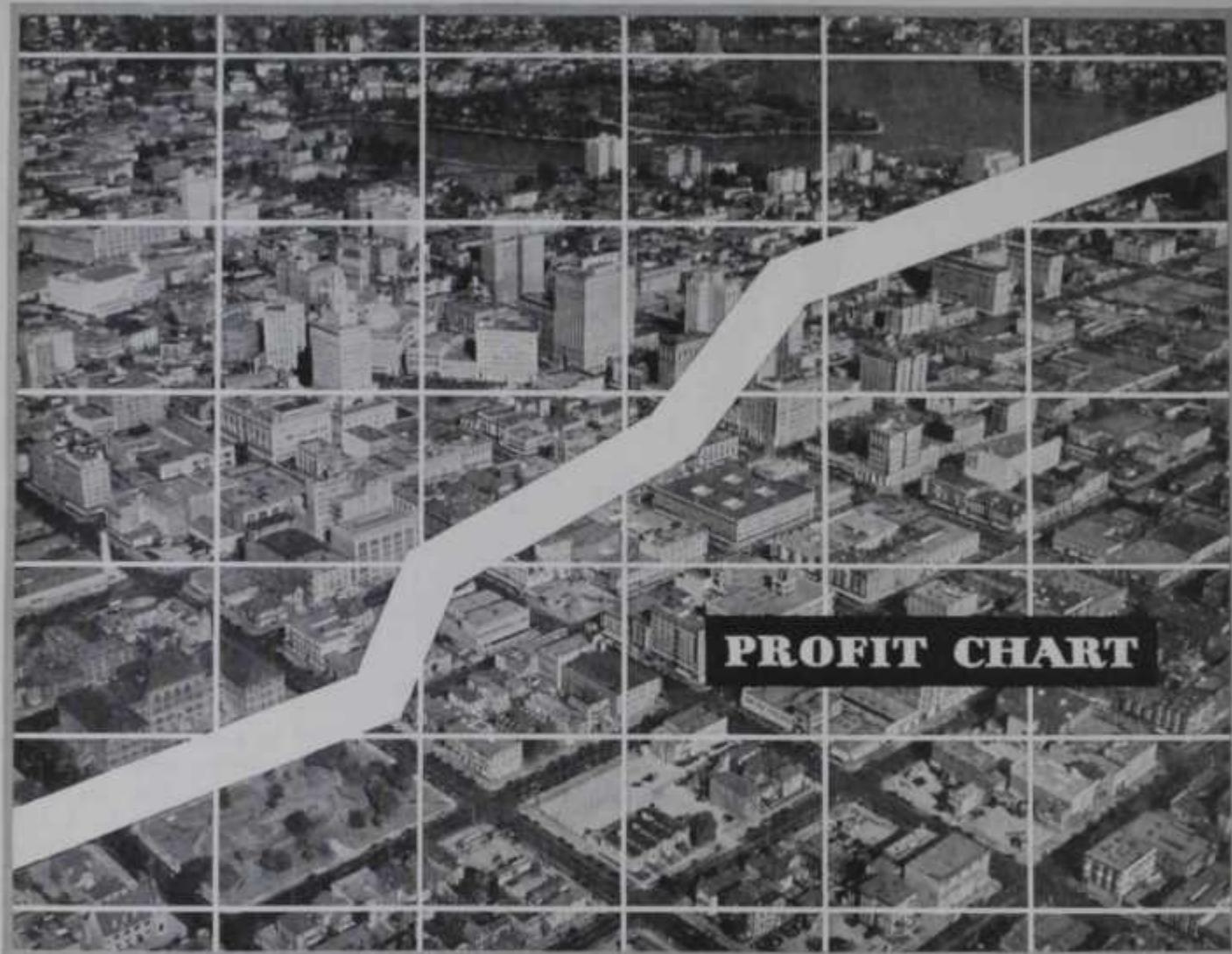
Let's begin with the theorem that there are too many bankers by far! Giannini ought to gobble up a whole bunch of us. We need some mergers, some men with less title and salary and more daily work to do.

If some of us don't look out we'll go the way of the man with the pick and the shovel. We will be "merged" out of the picture if the world can get along without us.

The chief trouble with small town banks, I find, is that the treasurer stays indoors too much of the time.

You can't load a bank

PROFIT Comes



© Fairchild Aerial Survey

Scripps-Howard Newspapers offer the highest Concentration of Circulation available in one unit for National Advertising

74.4% of Scripps-Howard Circulation Is Concentrated in Cities.*

90.7% of Scripps-Howard Circulation Is Concentrated in Profit Areas.**

Concentrate Your Selling Where Greatest Profit Can Be Made.

Like a Poultice to Heal the Blow to PRIDE

IT IS human to strive for largest possible sales volume. Man is very like a peacock. But stockholders are more interested in profit than in pride. *Watch profits this year.* Sales managers are hired to make money—not merely to make sales. Increased profits, even if with smaller volume, rank as a genuine management achievement.

With reduced sales volume the blow to pride may be real. But profit heals all wounds. The concept of a Sales Territory should be replaced by the concept of a *Profit Territory.* Concentrate your selling and your advertising where greatest profit can be made.

Throwing advertising blindly at a map is one of the expensive luxuries indulged in during boom times. The rural byways and the empty acres do not readily yield a crop of profit-dollars.

But don't cut—concentrate in metropolitan

centers where wealth is greatest . . . where fashion sense is most developed . . . where dealers are congregated . . . where merchandise moves *rapidly*. Avoid the fringes and margins of demand and focus on the thick center. Better profit . . . not mere volume . . . is the new strategy of business.

**THOMAS M. McNIECE Says:
"Get Rid of Unprofitable Orders"**



© Bachrach

Mr. McNiece is head of Plant Accounting Control Division of Union Carbide & Carbon Company; Associate Member of American Institute of Electrical Engineers; Graduate of Case School of Applied Science.

"Two well-known tire manufacturers are examples of the right and wrong method. One has distribution in every hamlet and boasts of it. Its largest competitor has a much narrower distribution, less sales volume and *makes more profit*."

"Sales management has been concerned with securing greater volume of sales . . . with a great disregard for cost of securing that volume."



SCRIPPS • HOWARD NEWSPAPERS

MEMBERS OF THE UNITED PRESS . . . OF THE AUDIT BUREAU OF CIRCULATIONS AND OF MEDIA RECORDS, INC.

NEW YORK *World-Telegram* SAN FRANCISCO . . . *Hearst* BUFFALO . . . *Times* COLUMBUS . . . *Citizen* YOUNGSTOWN *Telegram* HOUSTON . . . *Prix* CLEVELAND . . . *Prix* WASHINGTON . . . *Newspaper* INDIANAPOLIS . . . *Times* AKRON . . . *Times-Prix* FORT WORTH . . . *Prix* EL PASO *Herald-Prix* BALTIMORE . . . *Prix* CINCINNATI . . . *Prix* DENVER *Radio City* *Newspaper* BIRMINGHAM . . . *Prix* OKLAHOMA CITY *Newspaper* SAN DIEGO . . . *San* PITTSBURGH . . . *Prix* COVINGTON *Emmick-Prix* TOLEDO . . . *Newspaper* MEMPHIS *Prix* KNOXVILLE *New-Sentinel* EVANSTON . . . *Prix* — Kentucky Edition of Cincinnati *Prix* ALBUQUERQUE . . . *New Mexico State Tribune*

treasurer down with detail and expect him to be worth a darn as a business getter.

If he's got to sign every cashier's check and answer every phone call and carry the organization on his back, he's a hard-working office manager, but he's not a good treasurer.

The first rule for a small town bank ought to be *keep the treasurer out of the bank rather than in it.*

Don't fear your depositors

I MEAN it just that way. Let your treasurer spend half a day, every day, calling on his trade. Let him get acquainted with people and learn more about their business.

The next trouble with small banks is they're overawed by their depositors. You're afraid to turn anyone down. What you *ought* to do is get such control over your depositors that when you are obliged to give a refusal, they understand it pleasantly.

The way to have that control is simply to make your bank do something more for them than clear their checks and lend them money.

You need to learn something about business. Get away from banking and find out how your customers make their money.

You and I can hire any number of clerks and assistants who know the processes of banking. Plenty of folks in my bank can tell you exactly what happens to the \$2.88 that Mrs. Jones deposited this morning. That doesn't make any money for the bank.

But if a business man in your town wants to borrow \$60,000, you must be able to know if he deserves it. To do that you need to know what he's up against, how he conducts his business, what the outlook is in his line of trade as regards competition and profits, what

sort of an organization he has, and soon.

The place to get that information is right in his shop. The man to make that contact and find out at first hand about your customers' business is your bank treasurer.

That's why it's important to send your key man out to solicit new trade.

Suppose you know your would-be borrower and are convinced he doesn't merit \$60,000 worth of credit. You've got to tell him that, because—here's another rule—you need to *make your loans from the head instead of the heart.*

But telling him isn't going to be any sweet and simple job. What'll you do—leave him alone to sink or swim? Turn him over to some competitor from out of town? Not unless you want to incur his undying enmity and lose the patronage of all his friends.

If you can't approve a loan it's even more important to show your man how to get along without it. Help him find some other way. Maybe he can dig the \$60,000 out of his inventory. Maybe he can reduce expenses so he won't need so much money. Maybe you can help him squeeze some ready money out of his accounts receivable.

One thing you can count on is this—help him to get along without that loan and you make a firmer friend of him than if you had really approved the loan. A loan would be only temporary help but if you put him on a firmer financial basis, that means definite, lasting help.

Of course, if your bank's treasurer is going to spend any time out of the bank, you need an organization. You ought to build up a corps of assistants that can function during your absence.

That's fundamental advice to any bank. If you're maintaining a one-man organization because it flatters you to feel indispensable to every move and every transaction that occurs there,

you're holding back progress. Get out into the sunshine yourself! Give your associates a chance to think for themselves! Don't become desk-bound!

Put directors to work

FOR incidental advice, I'd aim to get a list of directors who *direct*. Don't make a position on your board an honorary resting place before a man moves on to the crematory. Don't make directors' meetings a matter of routine. If they're that way now and you find there's no business except a perfunctory rubber-stamp OK'ing of what has already happened, then make your directors meet weekly instead of monthly. Give them something to do!

The first result will be to slough off a lot of figureheads who don't like to work so hard. Fine! the more deadwood you clear out, the better.

I'm trying to get my own board to work hard. It meets every Wednesday at noon. It discusses real estate loans, with a big map of the city hung on the wall and various properties we are interested in sketched in red, blue, yellow and green to indicate various things.

The board of directors that I think is ideal gets no pay for attending directors' meetings. It gets paid in the form of dividends. And those directors are so eager to buy more stock in the bank that you can't get a share of stock for love or money.

The other bank president in my town staged a business-getting contest a while ago. He made his directors hunt up new accounts. The loser of the contest had to buy all the rest a dinner. The man who bought was chairman of the board. He was a good sport about it too.

There's no need for the bank president to stand in awe of any board of directors. Yet I know small bankers who do. Get directors who will work



Get away from banking and find out how your customers make their money. The way to find that out is to go out on the street, see them at their work.

Envelopes coax curious readers into your MAIL ADVERTISING



WHET HIS CURIOSITY on the envelope—and your prospect is sure to step inside—to read your house organ, catalogue, broadside, and other mail advertising.

IT'S A SNAP TO FIND NEGATIVES when they're filed in labeled, indexed envelopes. And that goes for snapshots, photographs and small drawings, too.

"ANOTHER ISSUE READY" . . . and the newsbulletin editor puts copy, dummies, and cuts in a big Columbian Clasp envelope and sends them along to the printer. And galley proofs come back in "RUSH-PROOF" envelopes.



ADVERTISERS SAVE MONEY BY mailing newspaper mats in big envelopes, marked "DON'T FOLD." Ask for U.S.E. Guaranteed Envelopes for all your heavier than letter mail.



YOUR prospect sees the envelope first. That's why many advertising men change house organ envelope copy every issue and put the advertising space on booklet and catalogue envelopes to work.

Whatever you mail . . . letters, bills, advertisements, orders . . . every envelope gives you a chance to get an idea across. Ask your printer to help you. And when you need envelopes, he'll be glad to show you some of the hundreds of styles in his U.S.E. line. There's a guarantee in every box.



ANY ENVELOPE YOU WANT—guaranteed! For the U.S.E. line offers you hundreds of styles—all identified by the U.S.E. quality slip shown above.

U. S. E. GUARANTEED
Envelopes

UNITED STATES ENVELOPE COMPANY, SPRINGFIELD, MASSACHUSETTS
With thirteen manufacturing divisions covering the country

WHEN CAREFUL SELECTION IS VITAL TO SATISFACTION



Choosing a College for that Son of Yours!

You send that daughter or that son away to school to equip them better for the battle of life—to insure their future. Naturally you choose that school with care—to be certain that your insurance will insure.

The shrewd business man, seeking similar assurance of protection for his material wealth, considers first the strength of CENTRAL, its sound policies, its record of fair adjustments and prompt settlements—and second, the satisfying saving of its cost-reducing dividend.

CENTRAL policies are written through local agents. For further information, let us send you the name of our nearest representative.

CENTRAL'S
DIVIDEND
SINCE 1921
HAS BEEN
30%

CENTRAL
MANUFACTURERS MUTUAL INSURANCE COMPANY
C. A. L. PURMORT, President
Home Office: VAN WERT, OHIO

FIRE, AUTOMOBILE AND TORNADO INSURANCE FOR SELECT RISKS



Careful selection of college means much to the happiness and future welfare of your children. Careful selection of insurance is equally important to adequate protection of property.

and then keep them busy. I'll bet two-thirds of your own directors haven't entrusted a cent to your bank's trust department. Maybe some of them haven't even made their wills. Like a minister's son who goes to the dogs because every one takes his soul for granted, a bank director never receives any of the bank's selling effort. Get after your board and see what business results!

You can laugh in a bank

THIS business of ours isn't anything to hold your breath about. A bank isn't a church, or a morgue; or an operating room. People can be just as cheerful in dealing with a banker as with a man they buy autos from, or groceries, or any other commodity.

Yet too many banks, I fear, are cold and cheerless.

We've built around ourselves the tradition that cold stone is safe and reassuring and that sunshine is something to avoid. Banks have heavy stone pillars out in front—like a national guard armory or a cold-storage warehouse—to indicate that no burglar can break down those walls. We want to suggest stability. What we do succeed in putting across is a feeling of stony chill and dignity.

In my bank we've just taken down all the cages and put up a rail. We're going to get as close to our customers as we humanly can and still keep one hand on the burglar alarm.

When folks come in my bank we treat them like humans. If they swear, we swear. If they use bad grammar, we say "ain't," too. We're no better than they are. We're so used to getting down off our high perch that we'd probably all catch cold if we ever climbed up there again.

You need to do this if you're going to follow the most important suggestion I've made. That is—don't spend your time *in* the bank, but *out of it*.

Suppose you put on your hat and walk down the street to the Jones Milling Company, or the Enterprise Garage. It doesn't matter whom you call on. Everybody's a customer of some bank. Start off with your own customers, though; it's more ethical.

You step inside and shake hands with the boss. You know him but you've never really seen him before. All you've seen has been the tight, timid little fellow who has stepped into your office about twice a year and nervously asked for a line of credit. Here he is now, in his own kingdom, entertaining *you* as a guest. He's not begging for money to-



French-Canadian Labor

The character traits of the old pioneers are still dominant in the French-Canadian people. They make ideal artisans. This and many other industrial advantages of this territory are interestingly told in a booklet just published and sent on request.

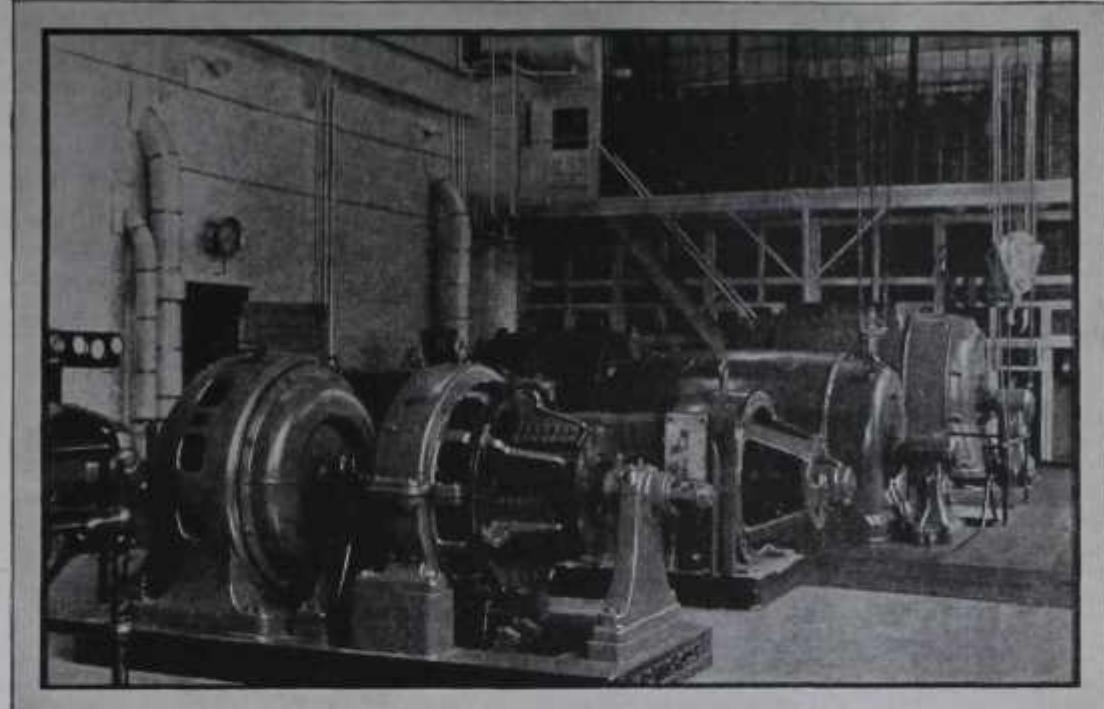
Department of Development

The Shawinigan Water & Power Company

Power Building • Craig Street West
MONTREAL, CANADA



CITIES SERVICE RADIO CONCERTS, Fridays, 8 P.M., Eastern Daylight Time—WEAF and 37 Stations on N.B.C. Nation-Wide Network.



"Full-line" lubrication cuts operating costs!

Let our engineers discuss it with you without obligation on your part.

In the famous "Full Line" lubrication plan, Cities Service engineers will make a special detailed analysis of the lubrication problems in your entire plant. From this analysis they will determine the correct grade of Cities Service lubricant for every piece of machinery.

Cities Service engineers are well equipped to do this because they cope daily with the lubricating problems that arise in the operation of light, heat and power plants, transportation systems, fleets of motor vehicles — wherever there is friction in a mechanical process.

Because these men must solve practically every lubrication problem, they are able to work out lubrication details that speed up production, cut time losses, and show smaller expenditures on the cost-sheets at the end of the year.

A representative will gladly call to tell you more about the Cities Service Full Line Lubrication system. No obligation, of course. Just mail the coupon below.

CITIES SERVICE OIL COMPANY, 60 Wall St., New York, N. Y.
We are interested in your "Full-Line" Lubrication Plan.

We operate machines

Our products are
Name
Street
City State

CITIES SERVICE INDUSTRIAL OILS

QUALITY PROVED WHERE IT SHOULD BE PROVED  IN INDUSTRIAL USE



"THIS STEAM TRAP has paid for itself in its trial period!"

"I took the Armstrong people up on their advertised offer to send their inverted bucket traps anywhere on ninety days' trial. These traps have easily paid for themselves in the trial period through steam saved in our machines."

"I recommend that we standardize on Armstrong steam traps for all our steam equipment. From the returns they have already shown, they will be one of the most profitable investments we could make."

"I might add, also, that the saving is not only in steam cost. The operators are getting out better work, because they are not handicapped by cold machines."

Conferences like the above have taken place in practically every steam-using industry. If your engineer has not had an opportunity to see the trap that made steam trapping a science instead of guesswork, ask him to take advantage of our standing offer. We'll put as many traps as he needs in his hands for ninety days' free trial. Performance that has made the Armstrong the largest selling mechanically operated trap fully justifies our making this offer.

We'll also be glad to send you an interesting booklet on the economics and principles of scientific steam trapping.



ARMSTRONG MACHINE WORKS

802 Maple Street Three Rivers, Mich.

District Representatives and Stocks in All Principal Cities

N.B. Gray

When writing to ARMSTRONG MACHINE WORKS please mention NATION'S BUSINESS

day. He's a manufacturer entertaining a banker as his guest.

Give him a chance to show you his business. Take an interest in it, if it's only a machine shop stamping out belt buckles. After all, every business is interesting—if it weren't, men would go crazy with monotony. Every business has its triumphs and its trials, its profits and its problems. What's more, an hour's visit to any factory in your town will give you an insight into local business conditions such as you never got in a lifetime of sitting inside a mahogany rail.

Suppose your manufacturer friend is already using all the services of your bank that he ought to. Ask him if everything is satisfactory. Has he any suggestions or complaints? Can you do anything further to make your bank fully useful to him? Ask him that—and if he hesitates, make a mental note to get him to tell you sometime what idea or criticism or suggestion he is holding in the back of his mind. It may be worth money to you.

More business from a customer

ALMOST everybody represents more potential business for his bank than he now delivers. Every depositor has at least one insurance policy, which means that he or she ought to have a safe deposit box. Every savings depositor ought to have a checking account and vice versa.

You can make a list of your depositors and check them against various departments of your bank. If they're only using half of your services, get after them to use the other half.

When you go out to "see" your bank face to face to your depositors, mark well the first rule of selling—get over on the other fellow's ground!

If you like baseball and I like golf, I'm not going to be much interested in hearing you talk home runs and batting averages and strikes to me. I want to talk about my hole-in-one, and the way I overcame that slice last week! I want you to talk to me about *my* business; not make me listen silently to a monologue all about *your* business.

The average banker doesn't know the first thing about selling his bank.

"We have deposits of so many millions," he'll say, "and our board of directors includes Hiram Donovan—the shrewdest real estate man in town, and J. Wonders Octagon, the big soap man," and so on.

But it doesn't mean a thing to the man you're talking to.

He knows that *every* bank has a rep-

For Modern-minded Business



*At a more-than-moderate price, too! So low, in fact,
that you can afford to buy this desk for general office use*

HERE'S another of the three biggest desk values you'll see in 1931! It's the New Yorker—one of the new Art Metal designs you've heard about. Shop around all you like—but you won't find any steel desk to touch it at the price.

In design, the New Yorker strikes the modern note. It is exquisitely proportioned—with a lovely finish that reproduces the superb graining of African mahogany. And the deep, rich black of the Artolin top stands out in striking contrast.

Thoroughly modern in its construction, too—all of the finest steel—and

in its many conveniences—trays, drawer partitions, paracentric lock, improved drawer slides, space for wires of telephone and desk light.

The New Yorker—and its companions, Mount Vernon and William Penn—are ready for your consideration. Write us for booklet—or the name of your nearest Art Metal dealer.

Desks for every purpose—In addition, Art Metal manufactures a full line of desks to fit every special and general business purpose. All are of ageless, fire-resisting steel—all built to meet the rigid Art Metal specifications. We'll be glad to send you a complete catalogue on request. Art Metal Construction Company, Jamestown, N. Y. Branches and Agencies in 500 cities.

STRIKINGLY MODERN IS THE NEW YORKER—a desk that's planned for the 1931 business man. It comes in four styles—single or double pedestal, flat top, typewriter desk, and panelled-end table.



FOR YEARS this Art Metal 1500 desk has been the standard for clerical work in large corporation offices as well as small offices.

Art Metal
STEEL OFFICE EQUIPMENT

THE ART METAL LINE . . . Fire Safes . . . Storage Cabinets . . . Desks . . . Shelving . . . Plan Files
Horizontal Sectional Files . . . Upright Unit Files . . . Counter Height Files . . . Postindex Visible Files
IN THE ART METAL BUILDING EQUIPMENT DIVISION...Hollow Metal Doors and Trim...Elevator Enclosures...Architectural Brouse...Library Fittings...Partitions

When writing to ART METAL CONSTRUCTION COMPANY please mention Nation's Business



Southern Pacific's Famed Specialties • • Salad Bowl • • Casserole

"The Cascade"

San Francisco · Portland · Seattle

San Francisco—with all California nearby. Portland—and the Evergreen Playground of the Pacific Northwest. And in between—the 21 smooth, speed-ing hours of the superb "Cascade".

No one thing will delight you more than this "Cascade's" fine dining car. Crisp, savory salad—as many servings as you wish—deftly lifted from the big Salad Bowl to sparkling china—refrigerators restocked daily with the freshest produce of a famous countryside.

And through the car window, clicking past, the fascinating panorama of the Siskiyou and Cascade Mountains.

Go West one way, return another, on the fast, fine, "Cascade", "Sunset Limited", "Golden State Limited", or "Overland Limited", color-bearers of Southern Pacific's four great routes. Only Southern Pacific offers you this choice of routes on a single roundtrip ticket; only Southern Pacific can show you the whole Pacific Coast.

CASCADE

Southern Pacific

Write to H. H. GRAY, 531 Fifth Avenue, New York City, or O. P. BARTLETT, 310 South Michigan Boulevard, Chicago, for book with illustrations and animated maps, "How Best to See the Pacific Coast".

representative list of leading business men for directors. He isn't interested in them anyway—they'll never do anything for him.

Your prospective customer isn't interested in the amount of your deposits, either.

Nor is he concerned with the other arguments you traditional bankers esteem so highly. He knows that every bank is checked by the state banking department, and that if you're not a safe bank you'll be closed up. He knows that in the event of loss, the depositors come first and the heaviest losers will be the stockholders. He knows that all banks are very much standardized as are most insurance companies.

Your business man is interested in what your bank can do for him. Can it make more money for him than his present bank? Is he missing something by not being affiliated with it? Is this bank beginning to be an honest-to-goodness live wire?

You can't convince him of this by sitting inside your official enclosure.

But if you get out into his dusty shop that smells of leather or paint or rubber or oatmeal or hot metals, and suggest a new and timely answer to a problem that is bothering him today, then you arouse his friendship and awaken his confidence.

Service that is real help

MAKE your banking service mean something specific. Every business man in your town is worried about something. Should he sell out or merge or recapitalize? Should he tie up with chain stores and mail-order houses or hang on to his jobbers and independenters? Should he meet cut prices or strive for a quality market? Should he advertise in a national magazine and risk several thousand dollars or be content with a circular in each package offering a sample to any friend of a present customer?

I'll venture to promise that any small town bank president or treasurer can uncover plenty of knotty problems in a half day's tour around his town. He'll discover new avenues for business, too.

Quit staying inside your bank and trying to buy people's business with more free service, more blotters, more printed check books, more costly services that the public already takes for granted. Get out and meet your customers in their own shops and offices.

That's what I'd do if I were put in charge of any one of a thousand banks in medium sized towns in this country. I'd make for myself a lot of work. But I'd have a whale of a lot of fun at it!

How are you Fighting the Battle on the Eastern Front?

THE weak links in your industrial front line may be inefficient labor, remoteness from rich markets, poor distribution facilities, or high power costs.

Millions of dollars have been wasted in wrong locations. A Philadelphia location affords the important factors for economical production, and gives quickest access to the greatest market in America.

The Atlantic Coast States contain 48% of the country's spendable income. This income centers at a point thirty-eight miles northwest of City Hall, Philadelphia.

Study Philadelphia's strategic position for production and distribution. This Association will furnish you comprehensive data that will demonstrate the suitability of Philadelphia as a profitable location or for a branch plant.

Send for specific information or any of the booklets shown. Please use your business letterhead and address Department W.



Philadelphia affords in favorable balance all important factors for industrial and commercial progress. These free booklets give the important facts.



PHILADELPHIA *Business Progress Association*



1442 Widener Building, Philadelphia

DICTOGRAPH

THE ACTION GETTER OF MODERN BUSINESS!

WHEN you want information these busy days, you can't afford to wait for it! . . . Tardy messenger service, aggravating switchboard delays and inter-office visiting are taboo in the modern organization. Time is too precious to waste on out-of-date methods of communication.

With the DICTOGRAPH System of Interior Telephones in your office, you simply flick a key—and talk! A sensitive microphone picks up your words. Answers come to you instantly through a clear-toned loud speaker . . . DICTOGRAPH clears your telephone lines from the tangle of "inside" calls—quicken the pace and pulse of your whole business.

It will take only a few moments to show you DICTOGRAPH in actual operation on your desk. No obligation to you. See the telephone directory for our address in your city, or write to DICTOGRAPH PRODUCTS CO., Inc., 224 West 42nd Street, New York City.



THE LOUD-SPEAKING EXECUTIVE TELEPHONE

John Hancock Series

Of course you live longer

Statistics show that annuitants are likely to live longer than other persons.

It really isn't surprising.

We don't forget that there are individuals born with a tenacity for life—annuities notwithstanding. But if you had a regular check arriving every month with the absolute assurance that it would continue to arrive as long as you live—you wouldn't worry yourself into an early grave, would you?

Whether or not you are old enough to have an annuity, you are never too young to prepare for it. Our booklet, "You Can Have an Income as Long as You Live," is for young people of all ages who want to enjoy life as long as they live. Send for your copy.

John Hancock
LIFE INSURANCE COMPANY
OF BOSTON, MASSACHUSETTS

Inquiry Bureau, 197 Clarendon St., Boston, Mass.
Please send me booklet, "You Can Have an Income as Long as You Live."

Name _____
Address _____
N. S. _____

Over Sixty-Eight Years in Business

Here's Real Filing Insurance!

In your business you insure everything of material value. Then why not insure the history of your business—your records and correspondence, against misfiling and loss?

Acco Fasteners, Acco Folders and Acco Punches give you this important protection—give you bound papers that are safe papers!

The Acco Folder, of durable pressboard, has a cloth expansion for 1" and 2" volume of papers and lasts the lifetime of a steel cabinet. It contains the well known Acco Fastener, consisting of two prongs on a broad, flat base against which papers are tightly and safely held by a wide compression strip—the proper way of binding.

The easy, clean cutting Acco Punch, punches two holes in your papers, to accommodate the Fastener prongs, and it never breaks, rusts nor needs servicing of any sort.



Send for free sample Acco Fastener and instructions on Acco Folders and Punches.

ACCO PRODUCTS, Inc., American Clip Co.,
39th Avenue and 20th Street, Long Island City, N. Y.
Acco Canadian Co., Ltd., Toronto

Bloomfield's Cash Plan Still Works

THE 30 merchants of Bloomfield, Nebraska—who handle practically all the trade in the town—have done business on a strictly cash basis since April 1, 1928, and are still well satisfied with the plan and its results to date.

Not one of them desires to return to the former plan of credit giving, according to Dr. P. B. Lonergran, president of the Retail Merchants' Association and the Professional Men's Association in Bloomfield.

The most recent additions to the ranks of the cash dealers were the coal men. As a matter of fact, the only ones making exceptions to the "money down" plan are the automobile dealers. Motor cars still are sold on the instalment plan, but when the motorist purchases other items from the garages, he must have the cash in hand.

Merchants adhere to plan

UNDER a gentlemen's agreement, each merchant promises to pay \$100 fine if he gives credit. So far no fines have been asked or imposed.

The plan grew out of failures of local banks. Cash selling went into effect after six weeks' notice by the merchants to their customers. At first the pride of some persons seemed hurt, but as the end of the first month of the plan's operation drew near, and they had no first-of-the-month bills confronting them, they became reconciled.

A few citizens turned to the mail-order houses, but found cash was necessary there, also. At the end of three months, the merchants found their business volume back to normal.

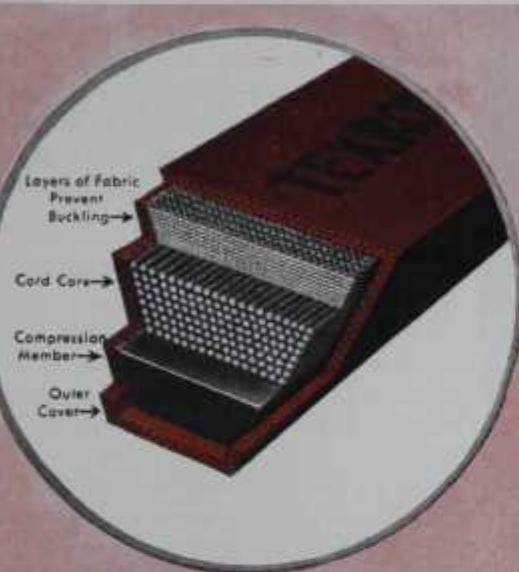
Results of the cash policy

THE plan has had two very commendable results, according to Dr. Lonergran. The "dead beat" has been eliminated for one thing, he said.

"And without credit risks," he added, "our merchants have been able to cut prices, resulting in more sales among local people. There has been also an enlargement of Bloomfield's trade territory at the expense of neighboring credit-giving towns, which must necessarily charge higher prices."

—JOHN M. HENRY

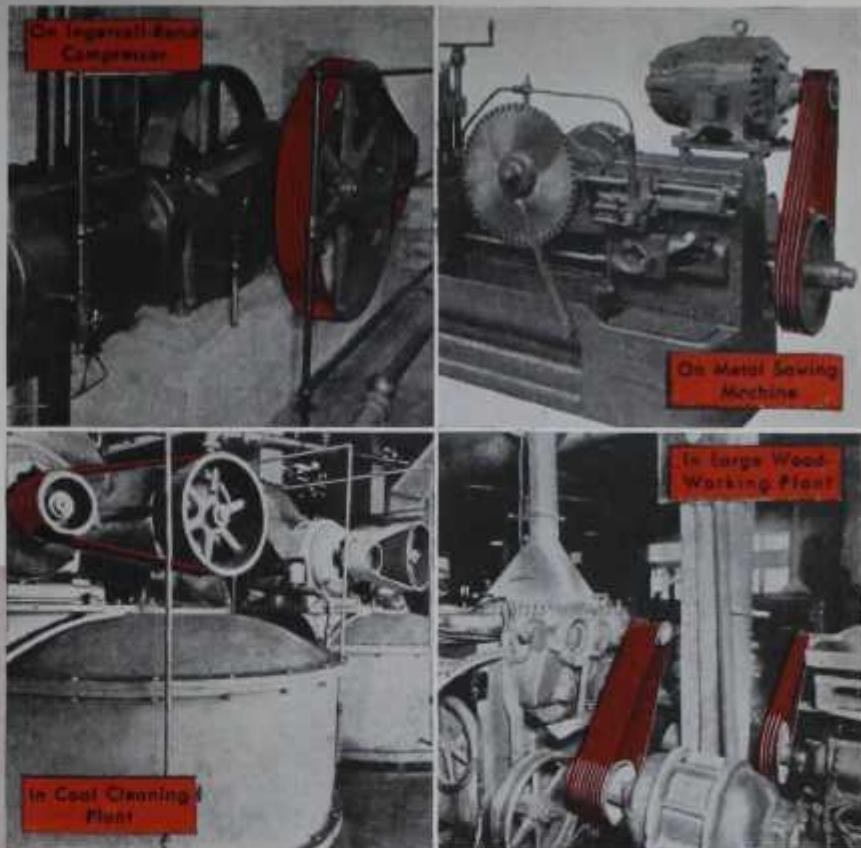
If money
is worth
saving..



*- another
B.F. Goodrich
Product*

An idea in 1923 . . . a product ready for market in 1925 . . . today an accepted necessity, with well over 100,000 units in use. That is the story of Texrope Drives . . . the most sensational success known to industry.

In the development of this drive the B. F. Goodrich Rubber Co. has contributed belts that possess amazing ability to stand up under constant flexing. Well over 600,000 Texrope Belts are now in use . . . and some of those put in service five years ago are still in operation. The newest design, here illustrated, promises to give even longer service. When new belts are finally needed, be sure to install genuine Texropes . . . product of B. F. Goodrich.



Consider these facts from users of Texrope Drives...

Piece work cost, cut from \$6.75 to \$3.00 after Texrope Drives were installed on two radial drills . . . 42% saving in time on a gear cutter where flat belts were replaced . . . Power factor increased from 75 to 85% when Texrope Drives replaced direct connections. More than 20,000 users attest the economy of Texrope Drives . . . in every industry they have proved their ability to cut costs.

No slip, no vibration . . . always silent . . . and sustained efficiency of 98.9%. Equally successful for loads from $\frac{1}{2}$ to 2,000 H. P. . . . reductions from 1:1 to 7:1. Send for Bulletin 1228-K.

ALLIS-CHALMERS MANUFACTURING CO., (Textron Division)

Milwaukee Specialists in Power Machinery Since 1846 Wisconsin

Atlanta, Ga., Baltimore, Md., Birmingham, Ala., Boston, Mass., Buffalo, N. Y., Charlotte, N. C., Chattanooga, Tenn., Chicago, Ill., Cincinnati, Ohio, Cleveland, Ohio, Dallas, Texas, Denver, Colo., Detroit, Mich., Duluth, Minn., El Paso, Texas, Grand Rapids, Mich., Houston, Texas, Indianapolis, Ind., Jackson, Mich., Kansas City, Mo., Los Angeles, Calif., Milwaukee, Wis., Minneapolis, Minn., New Haven, Conn., New Orleans, La., New York, N. Y., Philadelphia, Pa., Phoenix, Ariz., Pittsburgh, Pa., Portland, Ore., Richmond, Va., St. Louis, Mo., Salt Lake City, Utah, San Antonio, Texas, San Francisco, Calif., Seattle, Wash., Shreveport, La., Spokane, Wash., Tampa, Fla., Toledo, Ohio, Tulsa, Okla., Wilkes-Barre, Pa.

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ORIGINATED BY

TEXIROPE



ALLIS-CHALMERS
DRIVES

THE DRIVES THAT REVOLUTIONIZED



TRANSMISSION PRACTICE • • •

PAGE FENCE in **4 Metals**



Correct economical fencing is not a simple matter of inclosure

ATMOSPHERIC corrosives eat fence. And these corrosives differ according to locality. PAGE has been studying these things for a half-century. The result is four different fences of four different metals—

1. PAGE ALCOA ALUMINUM
2. PAGE ARMCO INGOT IRON
3. PAGE COPPER-BEARING STEEL
4. PAGE ORNAMENTAL WROUGHT IRON

76 Service Plants erect PAGE Fence everywhere. Write for name and address of plant in your locality. They will gladly consult with you and offer suggestions from plans to final erection. No obligation whatever. Complete descriptive literature on request. Address Page Fence Association, 520 North Michigan Avenue, Dept. D85, Chicago, Illinois.

PAGE H-Beam Line Posts
of hot galvanized high carbon steel offer distinct advantages, but tubular posts are furnished where preferred.



PAGE

Page Fence is a Product of
The American Steel & Wire Co.
An Division Company of
American Chain Co., Inc.

FENCE

1100 Workers Pursue Accuracy

(Continued from page 38)

but he had been trained in a different school. An inspector found that he had not been buffing off a sharp corner.

"Of course I'm not," said the foreman. "Why should I? It would do no good. I have saved the factory lots of money."

"Call them back," said the inspector. "Call back all those thousands of sharp corners and do them right."

Somewhere along the line a sharp-eyed workman would have spied that sharp corner. He would have seen in it a sign that the management was beginning to let down. Money was being saved at the cost of beauty. He would have ceased to give so freely of his own eyes and nerves and brain. The man on the next bench would begin to let down a little.

Workers try out machines

NEW machines are added from time to time. Often they are drafted in the factory. Outsiders do not know enough about watchmaking to devise machines for it.

In its essentials watchmaking is still a guild. It almost always happens that the first reaction against the new machine is one of resentment. We all like to stick to our old ways.

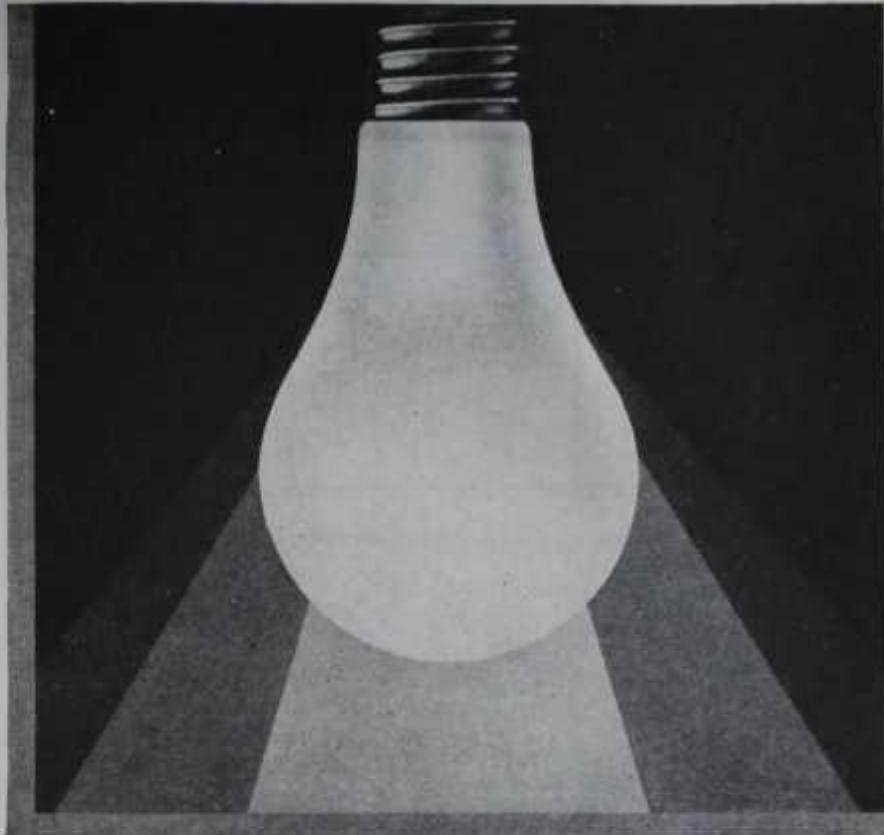
"Put it on the floor and try it out," the foreman is told. "Let us hear what you think of it."

That's all.

So the foreman tries the new machine. The workmen gather around it and poke it and twiddle it. Presently they try it out. If they like it, and not unless they like it, a foreman will come to the front office with a justified complaint:

"What's the matter with you fellows?" he asks. "Don't you know we've got to have five of those machines? What's the idea of giving us only one?"

These things help explain the fact that the Hamilton Watch Company has the smallest labor turnover in the state of Pennsylvania and perhaps the smallest in the United States. Its men come to it as boys and, if nature has planned them for watchmakers, they stay. It is also true, as I have tried to set out, that watchmaking is a guild and an art. Men who habitually work to a tolerance of one ten-thousandth of an inch and who on occasion work to a tolerance of one twenty-five thousandth of an inch must bring to their jobs something

CARBON LIGHTS*were a miracle but —***TUNGSTEN LIGHTS***were better . . .*

**Gasoline was good enough
until Ethyl was found**

IN 1881, the world called the incandescent lamp "the modern miracle." For twenty-five years everyone was satisfied that the ultimate had been achieved. But William Coolidge searched for a filament more lasting, more brilliant, more economical than carbon; and tungsten filaments were produced.

The automobile saw rapid improvement at first, but in 1921 it had apparently reached its "peak." Gasoline could not stand the higher pressures which would be necessary to further increase efficiency. The world accepted the automobile as a "miracle" and was satisfied.

But then Ethyl fluid was discovered and more efficient pressures were made possible. Higher compression engines began to appear with in-

creased power, greater speed, faster acceleration and cooler combustion.

Good gasoline *plus* Ethyl made better automobiles, trucks and busses possible. It provided a powerful, smooth-burning fuel that would not detonate under high pressures. What tungsten did for the light industry, Ethyl is doing for motor transportation. It furnishes a better fuel for today's engines and makes possible more powerful and more efficient engines for the equipment you buy tomorrow. Ethyl Gasoline Corporation, Chrysler Building, New York City.



© E. G. C. 1931

The active ingredient used in Ethyl fluid is lead.

ETHYL GASOLINE

Remember...?

Mac swore his golf ball

"ACTED QUEER!"



• How to lop from
4 to 19 strokes off your score!

Remember Mac's surprise when he walked out to his drive on the first hole? Thought he'd slammed one out for 250 or so (he said it had felt like it) and there the fool ball was, lying just short of the 200 marker!

And later, putting another ball of the same brand on the 5th green...remember how he barely tapped it...and how it skipped gayly right over the cup? Yep, and that 5th is the slowest green on the whole course.

Well, Mac's not so mystified now, because now he knows that some makes of golf balls have "temperament"! He's seen the Consistency Tester prove it and he's also seen the Consistency Tester prove Silver King to be the most untemperamental, the most consistent-acting golf ball of them all!

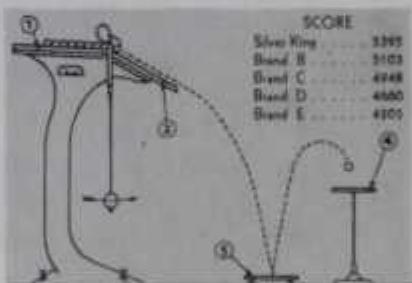
Really, gentlemen, the new construction Silver King is more likely to go where your stroke sends it, *every time*, because it is actually 4.9% to 19.9% more consistent. And this may mean anything from 4 to 19 strokes difference in your score!

In the Consistency Tester, Silver King registered 292 more "hits" than its nearest rival...and this nearest rival got accuracy only at the expense of distance. That's because of

Silver King's uniform high compression. (Uniformity = consistency; high compression = distance.)

Play Silver King, gentlemen. Your eye may be off the ball...you may be off your form—but you can always count on Silver King...the one invariable in your game!

GET THE NEW SILVER KING FROM YOUR PRO OR AT ANY GOOD STORE. DISTRIBUTED IN U. S. SOLELY BY JOHN WANAMAKER



SILVER KING'S "SCORE" out of 6000 "shots" on the Consistency Tester was 292 "bull's eyes" better than any of the four brands tested. These 4 brands sell for 75¢ and, together with Silver King, account for 90% of all regular golf balls used each year in the United States! The Consistency Tester tests golf balls for uniformity of compression, consistency of behavior, and for distance. It proves that Silver King's new patented construction can help take from 4 to 19 strokes off your score! For full details of this test write for a free copy of "Golf—what a game!" Address: John Wanamaker, Wholesale Golf Department, New York City.

PLAY



NEW SIZE...
85c NEW CONSTRUCTION

SILVER KING

...it's more Consistent!

more than mechanical ability. It is that enthusiasm for the job that one finds in such factories as this. It makes men and countries great. At one time England made more and better watches than all the other countries in the world. A Swiss invented a little thing that would make watches better:

"Our way is good enough," said the English watchmakers.

Constantly better watches

NOTHING is ever good enough. Switzerland became the watchmaking country. England's trade declined until pawnbrokers refused to lend money on watchmaking tools. The United States took the lead in the new machine-produced era of watchmaking early in the eighteen hundreds. At the American Centennial in Philadelphia in 1876, Swiss watchmakers attending the exposition marveled at America's achievements in the factory production of watches. Since then her leading watchmakers have constantly been adopting American machine methods. England's fine watches are hardly known today in the world trade. Scores of Hamilton watches in engine cabs today are 20 years old and are still well within that tolerance of error of one part in 20,000. Yet every year the current model has been a little better than its predecessor. You and I might not know it, but the watchmakers do. They look forward to the next better one.

There is the clue to the factory spirit, I think. There is a streak of artistry in all of us. The fact that 250 little buzzsaws would fit neatly in an inch was merely a curiosity to me. But the men who work them took delight in showing that they tapered until at the center they had only half the thickness of the cutting edge. They loved their tools.

Quality before quantity

APPROXIMATELY 1,100 men and women turn out about 600 watches a day. Twice as many could be produced. Each watch made under a high speed plan would be good enough to satisfy me but not one would satisfy Mr. Miller. The consequence of putting quality before quantity is that there has seldom been a slack season at the factory. There has never been a year in which more watches might not have been sold than had been produced. The workmen know that, barring acts of Providence and the public enemy, they are ensured of regular work as long as they are fit. That makes a difference to the man on the bench. If you do not believe it, ask the man. Bet-



The SMALL ADVERTISER with the BIG FUTURE

MANY an American advertiser has found in THE SATURDAY EVENING POST the beginning and the reward of success.

That is because The Post is read by sound and substantial folk with money to spend and the intelligence to spend it with discrimination.

Three million families of such folk expose themselves weekly to the advertiser's message, whether it be in large space or small.

Surety of the small advertisement being seen is the evenness of editorial *interest* throughout the magazine, right from front cover to back.

THE SATURDAY EVENING POST looks to today's small advertiser as the source of tomorrow's great one, and affords him unique opportunity.

It enables him to display his wares in fair competition with all others, full upon the Main Street of the advertising world.

It provides him a means of addressing, under the most influential sponsorship, the foremost families of America—that hub *three-million-strong* which turns the *taste, thinking, buying* of the nation.

It gives him the same chance at a Big Future as it gave those advertisers, now great, who started in The Post and found it steadily profitable to stay there!

THE SATURDAY EVENING POST

"AN AMERICAN INSTITUTION"





Are there Cost Reductions -DRYING *hidin' in YOUR Drying System?*

POSSIBLY your drying system can not be improved—but *probably it can!* It may have been highly efficient when installed—but is it today compared with the new principles and ingenious methods perfected by modern drying engineers?

Coe drying counsel provides a means of uncovering cost reductions which may mean the difference between red ink and black. In the case of the dryer shown below*, a Coe survey revealed that remodeling would effect decided savings.

The results, exactly as indicated by Coe engineers, included a 15% reduction in size, and an 80% increase in capacity with 16% decrease in fuel consumption.

Similar results may be obtainable in your own system. It costs nothing to find out unless the savings predetermined and guaranteed in Coe recommendations justify their adoption. Write for full details of Coe accomplishments.

The
COE MANUFACTURING CO.
420 Bank St.
Painesville - Ohio



*Name of company on request.

Small Store Arrangement

112 pages
100 illustrations
25 cents per copy

Domestic Distribution Department
United States Chamber of Commerce, Washington, D. C.

NO phase of retail merchandising is more vitally significant today than the correct arrangement of stock and equipment—arrangement which produces maximum sales at minimum expense.

"Small Store Arrangement" explains how proper display is increasing sales for hundreds of merchants. Four lines are given particular attention—hardware, grocery, dry goods and drug. (Not of value to department and exclusive specialty stores.)

ter yet, ask his wife. No man can be enthusiastic over his job unless he is contented in it.

President Miller has done many things to make his men contented. Some are commonplaces nowadays. There are funds to help them save and life insurance and sick benefits. Employees are helped to buy stock to ensure an independent age. When there was a shortage of houses in Lancaster he bought a farm and built houses on it and sold them to his men at cost. Any watchmaker who had anything at all could pay down what he had and take 40 years to pay the balance at five per cent. Every year for 15 years he has paid an extra dividend to his stockholders and each time a bonus or wage-dividend was paid the men at the works.

In the room of the watch doctors where the seemingly inexplicable ills that ravage the nerves of a watch are traced out and cured a whistling office boy would be trodden under foot. The scrape of hobnails would start a revolution. Men folded black wings about their heads to help them achieve complete absorption. Every man was giving all he had and giving it happily.

Have I made the reason clear?



The First Air Brake

THE FIRST time compressed air was used to stop a railroad train in an emergency was in the spring of 1869 when an engineer, running out of Pittsburgh and seeing a stalled two-horse dray on the track ahead of him, put on the brakes with such abruptness as to throw his passengers out of their seats and bark their shins.

George Westinghouse had invented the air brake a short time before, after seeing two locomotives wrecked in a head-on collision on a long, straight stretch of track and hearing one of the engineers explain:

"Yes; we saw each other coming all right, but we couldn't stop in time."

"Yes sir... on time.."

334 Miles in 360 Minutes

Montreal to Toronto—334 miles. Over a road bed so straight and smooth that you are hardly aware of speed at all, the International Limited makes it *in just 360 minutes!*

Here is the fastest train in the world for the distance—a quick, dependable service between Montreal and the Middle West. Six hours to Toronto. Seventeen hours and 45 minutes to Chicago . . . double track all the way.

America's largest railway system, Canadian National, is constantly leading in new travel luxuries and conveniences. Train telephones—individual radio at your chair—oil-electric locomotives—transcontinental service without changing cars. Observation cars fitted with windows of vita-glass. Diners, famous for the delicious variety of their menus.

Canadian National takes you everywhere in Canada—to the business centers of the Dominion—to the vacation spots of Ontario—to the mighty Canadian Rockies—the Atlantic Provinces and the quaintly foreign Eastern cities—to the Pacific and Alaska—or to the tropic isles of the blue Caribbean.

Canadian National operates steamship lines, telegraph and express services and 14 broadcasting stations. Its hotels, camps and lodges stretch across the Dominion. Whether you are planning a business trip or a vacation to this North Woods' playground, get in touch with the nearest Canadian National office.

Enjoy the quiet club-like atmosphere of the observation-lounge cars on Canadian National Railway limited trains.



CANADIAN NATIONAL

The Largest Railway System in America

OFFICES

BOSTON
106 Tremont St.
BUFFALO
420 Main St.
CHICAGO
4 So. Michigan Ave.
CINCINNATI
40 E. Fourth St.

CLEVELAND
820 Euclid Ave.
DETROIT
1222 Washington Blvd.
DULUTH
430 W. Superior St.
KANSAS CITY
100 Walnut St.

LOS ANGELES
807 So. Grand Ave.
MINNEAPOLIS
624 Marquette Ave.
NEW YORK
612 Fifth Ave.
PHILADELPHIA
1422 Chestnut St.

PITTSBURGH
225 Fifth Ave.
PORTLAND, ME
Grand Trunk R.R., Sta.
PORTLAND, ORE.
812 Yamhill St.
ST. LOUIS
814 So. Broadway

ST. PAUL
81 East Fifth Street
SAN FRANCISCO
645 Market St.
SEATTLE
1229 Fourth Avenue
WASHINGTON, D. C.
601—14th St., N. W.





PLAYING SAFE

Every drinking fountain has an outlet for providing a free flow of water. But that does not mean every drinking fountain is safe with respect to bacteria emanating from the multitude of thirsty mouths. That is why we say, "Play Safe". When making a decision involving the installation of drinking fountains, make sure you are benefiting from as many health-protecting advantages as are provided for in the design of the Rundle-Spence Vertical-Slant fountain.

These advantages can be quickly checked in the new R-S catalog . . . a condensed treatise on drinking fountains that is well worth writing for. Besides, these fountains can now be furnished in practically all colors.

RUNDLE-SPENCE MFG. CO.
436 No. Fourth St. Milwaukee, Wisconsin

RUNDLE-SPENCE

LIPS CAN NOT TOUCH THE R-S NOZZLE



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Labor Management in Depression

(Continued from page 34)

bility for the economic maintenance of their employees, and sought to avoid indiscriminate or ruthless dismissals.

Ever since the later months of 1929 emphasis in personnel work has been shifting away from functions temporarily set aside or now of minor importance—the hiring and training of new employees, for example—and toward those duties which have been made more urgent by the business slump.

In this change of emphasis, increasing attention has been paid to the problems of stability and economic maintenance. Some progress previously had been made in cutting down labor turnover and leveling the peaks and valleys of seasonal employment. Likewise a few companies had experimented with the payment of dismissal compensation to employees laid off—a practice which was to prove immensely valuable in the period immediately ahead.

When it became evident that the business slump was of first magnitude, and that jobs would be scarce for many months, management redoubled its efforts to protect the earning power of workingmen. By shortening the working day and the working week, many managers sought to divide up the available work among those employees whose efficiency and length of service entitled them to consideration. If necessary, labor was rotated. Often men of long service, who under principles of seniority would have been fairly sure of steady employment, went on financial short rations, cheerfully consenting to share work and wages with their fellows.

Reserves for unemployment

TO SOFTEN the blow of dismissal of those who had to be permanently separated from the pay rolls, the payment of layoff compensation was greatly extended. Some companies adopted plans of unemployment insurance, and many more are considering the whole subject of building up reserves against unemployment. Relief and loans to needy workers and their families have been provided in many organizations, sometimes through cooperation of management and employees.

To these problems of stabilizing the job and the pay envelope industrial relations directors have given much attention during the past year and a half.

They have cooperated with business leaders and with the community at large, which has become increasingly sensitive to the vicissitudes of the working population. The campaign recently initiated by the Chamber of Commerce of the United States to enlist business organizations in a scientific study of labor stability should crystallize this public sentiment.

Labor conditions are studied

THE EVENTS of 1930 cannot fail to influence the future course of industrial relations management. Personnel men will face heavier responsibilities and more exacting requirements than in the past. The problems of labor stability will demand much attention for some months. Questions regarding the length of the working day and the working week under conditions of normal production are certain to come to the front when industrial recovery has made appreciable progress. If a labor surplus persists after normal business is restored, a whole swarm of new perplexities will descend upon the industrial community. In any event, the problem of maintaining the earnings of labor while continuously reducing manufacturing costs will remain.

Problems of superannuation and of man-power obsolescence will press for solution. The adjustment of middle-aged workers to the conditions of modern industry will still present perplexities. Probably the connection between personnel management and public relations will be more intimate.

To meet these responsibilities, personnel management must grow more and more into the stature of a profession. Already there has been much progress in this direction. The requirements for successful practice, in the way of experience and knowledge, are impressive, and the literature of man-power engineering is bewildering in volume and variety. Universities offer courses in labor problems and personnel administration, and the industrial relations departments of leading corporations offer opportunities for capable young men to acquire experience through actual performance. All these things point to a genuine profession of labor management, with standards comparable to those of the older professions, as a prospect of the not distant future.



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NIAGARA

On the Business Bookshelf

IF ANY book is worth reviewing, but not to be recommended to be read, it is "Soviet Foreign Trade—Menace or Promise." The reason is that it discusses a most controversial subject and the writers are not unbiased. They are both members of the Amtorg Trading Corporation, a trading agency of the Soviet Government in New York.

The book discusses the major commodities imported by this country from the Soviet states. The conclusion, supported by figures, is that our imports from Russia are only a drop in the bucket in producing trade disturbances in this country.

THE chapter on dumping explains the policy of the Soviet states—to export only enough goods to pay for the imports that the Soviets must make. It further says that the prices obtained are as high as, or higher than, the usual prices for the same commodities in world markets. The obvious conclusion of the authors, then, is that the Soviet has not been, and will not be, guilty of dumping goods on the world markets.

There is a chapter on labor attempting to show that Soviet workers are as well or better paid than other European workers. The authors' explanation is interesting, but one thing that arouses our curiosity is this note on wage earners:

"The total number of wage earners in the Soviet Union was 11,456,000 in the fiscal year 1927-28; the number increased to 12,150,000 in 1928-29; and to 13,129,000 during the past fiscal year, 1929-30."

If the Soviet states have 150 million people and almost all who do anything work for the state or some part of it and are therefore wage earners, how do these people who are not wage earners make a living? Even a large percentage of farms are run by the state. The United States, it would seem, with five-sixths the population of the Soviet Union has three times as many wage earners even in the midst of a depression. Why?

Despite this, the authors say that there is a shortage of labor, that the annual turnover of unskilled labor in some enterprises is as high as 50 to 100 per cent. This has become so serious that news reports have recently reached this country that those with experience in certain essential lines of work are

being officially urged to leave their present work and go back to their former employment.

We learn, too, that 67 per cent of industrial workers enjoy the five-day week; but it is not the five-day week that is known to some Americans. This plan means four days work out of every five or 56 out of 70 while the American week of five and a half days work means 55 out of 70 days of work.

We read this book with skeptical interest, but do not recommend it for general reading because many Americans have decided prejudices one way or the other concerning Russia and such a book, showing only one side, will not help break down these prejudices.

"WAGES," published by the University of Pennsylvania Press, is a careful study showing how to determine minimum wages such that they will be adequate for the worker. It is complete as the subject is attacked from this particular angle, but there is no mention of differentials of wages for skilled or semi-skilled workers beyond mentioning that there are such differentials.

THE "Merchandise Control Manual" has been prepared at the request of members of the Dry Goods Association who wished the latest and best methods of merchandise control. Because of rapid changes in consumer demand, particularly in fashion merchandise, the necessity for the systematic recording of facts showing the flow of merchandise has increased in importance.

In simple terms, understandable to any merchant, this book presents (1) the general purposes of control and emphasizes the importance of adopting the proper system, (2) the general consideration in installing a system, (3) examples of different systems used in different departments and (4) the use of the data which the system tabulates.

¹Soviet Foreign Trade—Menace or Promise, by J. M. Budish and Samuel S. Shipman. Horace Liveright, Inc., New York, \$2.50.

²Wages: A Means for Testing Their Adequacy, by Morris E. Leeds and C. Canby Balderston. University of Pennsylvania Press, Philadelphia, \$1.50.

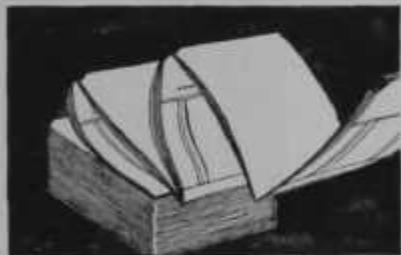
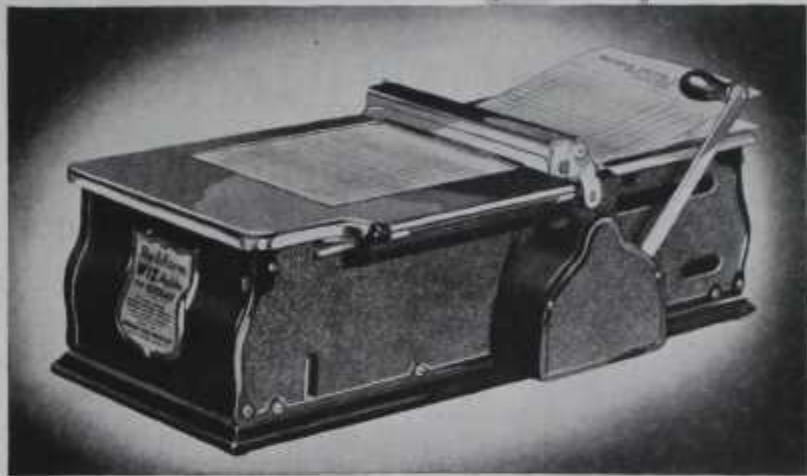
³Merchandise Control Manual, National Retail Dry Goods Association, New York.



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What Wall Street Talks About

By MERRYLE STANLEY RUKEYSER

THE prolongation of business depression in numerous invisible ways creates conditions which gradually make for recovery. Continuance of production schedules on a distinctly subnormal basis not only exhausts accumulated stores of merchandise and commodities in the hands of dealers, but also inevitably means that consumers are gradually wearing down the family inventory of ships, shoes and sealing wax.

Suddenly, when sentiment becomes more cheerful, the public will become aware of the fact that shortages have long been in the making. The conditions of depression in time breed economic recuperation.

These fundamental facts should not be forgotten even during interludes of extreme emotional pessimism which are themselves barometric indications that we are at or near the end of the downward swing of the cycle. Of course, in the present situation, as Wesley Clair Mitchell has pointed out, noncyclical factors, such as drought, political revolutions abroad, and unwise tariffs have greatly exaggerated the depression phase of the business cycle and have lengthened its duration.

In the circumstances, there is a growing demand for better social control of the economic mechanism. Economists, social scientists and far-seeing executives are recognizing that as business becomes more complex it becomes more hazardous to allow economic forces to drift aimlessly. Even before the present depression, the impulse toward rationalization, especially on the other side of the water, was becoming powerful.

Apart from Soviet Russia, seven nations, France, Germany, Great Britain, Italy, Spain, Czechoslovakia and Japan, have with the aid of government set up

machinery for economic coordination and industrial planning. These experiments have had uneven success, but they are in their early stages and represent a hopeful effort to supplant accident and chaos with human intelligence.

In the United States this same groping has expressed itself largely through nongovernmental organizations, especially through the remarkable growth of trade associations and chambers of commerce. The rapid development of the chamber of commerce in the United States as an integrating force among business associations has been related to the same social phenomenon which has expressed itself through other mediums overseas.

•

NONEMOTIONAL, statistical studies of the course of business in the United States indicate a remarkable steadiness in consumption of ordinary consumable

goods. Great disturbances to normal business come from alternations in the construction industry and in the production of certain other intermediate goods, such as automobiles.

In order to stabilize business, it is important not only to avoid stimulating public works in times of boom, but also to abstain from postponable industrial building and plant expansion. It is much better to defer such activities to slack periods, thus reducing the peak of industrial activity, and also raising the trough.

Chambers of commerce and trade associations should take the leadership in inducing private corporations to budget their expansion activities and to push developmental programs in times of commercial slackness when, by the way, money rates are cheap, raw material prices are down and labor costs are reduced as a result of heightening efficiency in labor.

Insofar as building of homes and hotels, apartment houses and office buildings are concerned, it has been difficult to exercise restraint on the sometimes unwarranted enthusiasm of promoters. A great responsibility lies with the money lenders—the insurance companies, mutual savings banks, and trust companies. Where these older money lenders sought in some instances to exercise self-control during the construction boom, their good intentions were nullified by the overzealousness of the first-mortgage bond houses and some of the Wall Street underwriters who impinge on their field.

Unless in the future the money lenders and the construction trade show greater capacity for self-government, there will unquestionably be a rising demand for public regulation. One suggestion has been that public bodies in each community



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should require that builders not only get routine permits but also a certificate of public necessity and convenience before they can add to the supply of shelter.

OF COURSE in the last analysis, the responsibility for business stabilization must be borne to a large extent by the individual. Like the construction trade, which has become the great balance wheel of prosperity and depression, the automobile industry is also subject to great ups and downs.

It appears from the record that in times of depression, owners will for a stated period disobey the law of obsolescence, running their old cars longer and getting for themselves a larger ratio of their total life span. Perhaps during the boom there was an excess of high-pressure selling of automobiles.

Perhaps, as A. R. Erskine, president of the Studebaker Corporation, pointed out to me in the early stages of the last period of prosperity, the American people were wasteful in their tendency to scrap automobiles long before they had performed to their capacity. If there was extravagance in the use of cars during the boom, that disposition toward excess helped to impart instability into the industry and into the general business situation.

Business will be on a sounder basis when volume depends more on engineering science and less on high-pressure salesmanship. Exploitation of the public brings only a temporary and fictitious prosperity. Extravagant, uneconomic buying in boom periods gives industrialists a false sense of demand and induces them unwisely to expand plant capacity.

In the long run there will be a better and a sounder prosperity when sellers become more scrupulous and sell buyers only what they need and want, and give them full value received for money expended.

THE whole economic situation could be enormously improved if progress were made in curtailing the enormous costs of distribution of merchandise. Perhaps to accomplish this stores will have to cut down on some more or less superfluous services, or, if they are continued, put a service charge on them.

Instead of following the conventional mark-up of upwards of 35 per cent, a modern-minded dealer in women's coats and dresses in New York City makes an average mark-up of nine per cent. Moreover, his own wholesale costs are subnormal because he buys for cash and

specializes in picking up distressed merchandise. In order to operate profitably on so slender a mark-up, this dealer insists that the women wait on themselves and carry their bundles home.

I think that in the future there will be a class of affluent persons who will want luxurious service and be willing to pay for it. There are also vast numbers of individuals lower down in the economic scale who would gladly forego certain forms of service for a price consideration. The neck of the bottle in the economic jam is the high cost of retail distribution which must be cut down. The clamor for a further decline of retail prices in line with the collapse of wholesale commodity prices overlooks the question of excessive distributive costs.

Retailers as a class are not profiteering. On the contrary, many of them are involuntary philanthropists who are working without net profit to themselves. They are keeping prices above the level where they might be, without any gain to themselves. The leak is in expensive business costs.

THE prolonged bear market has caused drastic shrinkages in the portfolios of most general-management investment trusts. The public somewhat illogically has turned sedulously away from them. In contrast with the marked preference shown for them before the panic, when some of the favorite discretionary trusts sold at two or three times book value, some of the well-sponsored general-management trusts are now selling below current break-up value.

Meantime the public seems to prefer so-called fixed investment trusts, which tend to tie the hands of management in order to prevent them from making blunders.

It seems to me that the aversion against general-management investment trusts is a passing phase of the depression and that in time those trusts which are really capably managed will slowly regain prestige.

As for fixed trusts, a disinterested observer—the Standard Statistics Company—has made surveys into the soundness of the fixed-trust principle. It went back to the year 1900 and picked out what appeared to be the leading blue-chip issues of that year. It repeated the experiment at five-year intervals, getting six hypothetical fixed trusts, each containing 20 selected stocks.

"In every single instance," the Company reports, "we found that with the passage of time, decay commenced in each of these trusts and grew progres-



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sively worse the longer the instrument remained in existence. It is our belief that the fixed trusts of the present will have similar histories. Even as this is written, some of the instruments which have been in existence less than three years already have underlying stocks on which dividends have been reduced and it is by no means improbable that the next adverse development will be dividend omissions, at which time trustees will be called upon to liquidate these holdings."

The British did not accept the discretionary idea in investment trusts before it went through competition with plans for limiting the freedom of management. The London *Economist*, in commenting on specialized limited trusts, pointed out as long ago as July, 1888, that:

"There is another point in regard to trust companies (the English equivalent for the American term, investment trust) to which attention may be drawn, and that is the tendency to specialize or restrict the character of the new undertakings which are formed. It seems to be a favorite idea to have trust companies for almost all the different classes of securities, and thus we have had, for instance, an undertaking formed to hold only brewing shares, another for mining shares, etc. But in a number of instances, in which the idea of specializing the trust has worked out, the results have been decidedly unsatisfactory.

". . . It is very obvious that the real principle of a trust company is departed from when its capital is invested in a limited class of stocks, all of which are subject to the same influences. When this is done, an investor might better invest his money directly, for he utterly fails to obtain that reduction of risk to a minimum which results from the distribution of capital in small amounts over a very wide area—the fundamental principle of a sound trust. In fact, it is almost a truism, that in proportion as a trust is specialized, so it loses its distinctive character and use, while the wider its sphere of operations is made, the more does it fulfill those functions for investors, which they are usually unable to perform for themselves."

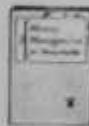
THE prolonged depression has emphasized in bold relief the superiority of a balanced investment diet over a lopsided one. The great fallacy in a purely common-stock investment setup is that it makes the individual investor who follows that plan carry the full weight of depression. It leaves him in no good position to draw on any part of his re-



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- ♦ Such times of stress as these demonstrate the wisdom of the laws of those states that provide for family finance companies.
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— Metal Frame Screens; — Wood Frame Screens
Name _____
Address _____

serves in case of personal need during interludes of shrinking profits in his own business or of unemployment, in case he is a wage earner.

The purpose of investment is not simply to create an estate for the benefit of heirs or even as a self-pensioning fund in old age. Financial reserves serve many purposes for their creators while they are living. The necessity of drawing on reserves comes chiefly during hard times and it is essential so to set up the fund that at least part of it will remain intact during slack periods.

It is not enough to say, as common-stock sponsors do, that over the long pull common stocks will do better than high-grade bonds. The average investor cannot wait until he gets to his destination. He must live while he is *en route*.

As a matter of fact, there is no competition between stocks and bonds. Each legitimately supplements the other in a balanced investment diet.

AS IN 1930, the winter stock-market rally proved premature. The attempt to discount the decisive turn upward in business was in each case too early. The spring setback in each year was based on a recognition that the stock market had run ahead of business.

On the basis of the records from the last two years, one should not draw too pessimistic inferences from the recent behavior of stock prices, for in this period the market has been reflecting business turns, rather than discounting future business.

IN THE last two years, the stock market has frequently fallen behind the parade of economic events. One evidence of this was in the weakness shown in certain stocks after poor quarterly earnings reports were published.

If the market had been discounting, it would have anticipated these statements which, as a matter of fact, all well-informed persons expected to be unsatisfactory.

ALTHOUGH corporations in general showed declines of about 40 per cent in earning power in the first quarter of 1931 as compared with the corresponding period of 1930, some 55 exceptional companies showed an increase during this period.

WHEN pessimism becomes acute, it is well for the serious observer to recall that in all previous periods of depression

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AN inside story with
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In the July

NATION'S BUSINESS

in the United States it was the common experience of the average man to lose faith in the future of the country. Exceptionally canny financiers, however, knew that the time to be hopeful was when all the bad news was out. For example, in the panic of 1907 the late James J. Hill pointed out:

"There is nothing wrong with this country except what the Indians would call 'Ghost Dancing.'"

In the last previous major business depression in July, 1921, Thomas Fortune Ryan declared:

"Our merchants have been buying only what they can sell quickly for cash. The consumer has had to listen to so much pessimistic talk that he buys only what is absolutely necessary. People everywhere have been scared. We are getting over that."

"Our people are the greatest consumers of food and manufactured articles in the world in normal times—and normal times are coming."

THE business recovery which is slowly in the making has been retarded by lack of full employment of labor and by fears concerning the future on the part of the gainfully employed. The specter of bread lines is not conducive to active buying on the part of employed workers.

Business generally might well take heed of the advice offered by R. R. Deupree, president of Procter and Gamble, who urged other companies to adopt plans for guaranteeing employment to at least part of their employees. Such a bold program would go far toward breaking the vicious circle of fears which have resulted in the shrivelling of trade.

IN APRIL, trade movements were contradictory. Business in general seemed to ease off somewhat from the March peak, yet most indices showed business in the large still above the low point attained last December.

Business is in the difficult phase of seeking to establish a major change of trend.

RICHARD WHITNEY, president of the New York Stock Exchange, has lent the prestige of his office to support the campaign initiated by J. M. Hoxsey, executive assistant, the Stock List Committee, in behalf of more authentic accounting methods, especially by industrial corporations. C. B. Couchman, president of the American Institute of Accountants, with whom the Stock Ex-

change has been cooperating, immediately endorsed Mr. Whitney's position.

As a group, the accountants naturally want to establish high professional standards, and they are somewhat impeded by clients who are disposed to have accounting conceal rather than reveal information.

The sound and public-spirited attitude of the Stock Exchange gives enormous impetus to the groups working for better accounting standards.

RETURNING from Cuba recently, Julian D. Rosenberg, New York attorney, remarked that as the ship entered New York harbor the passengers threw coins into the water and that customers' men from brokerage offices dived in for them.

THE most hopelessly pessimistic men in Wall Street today are the very ones who were uncritically optimistic during the last boom. Some of the men who were lulling the suspicions of the public regarding inflated prices by preaching the doctrine of a new era, are now without hope.

On the other hand, thoughtful men, like Paul M. Warburg and Carl Snyder, who warned the public against the earlier inflation, are nowadays singing a more cheerful tune.

"There are in modern industry and technique," Mr. Snyder recently pointed out to members of the Academy of Political Science, "inherent forces which make for a nearly uniform rate of growth, generation after generation. There is no evidence, as far as careful research has disclosed, that this has materially differed, save in the one spectacular instance of the World War, through more than a hundred years. The rate of growth has been very close to three per cent per annum."

"Will this never change? I suspect that it may, that it will very slowly but definitely increase."

"A slightly greater rate of increase in total product, continued steadily, so far as we can find, through at least a century, has slowly but surely made of our United States the richest, in every sense, the most opulent nation that the world has ever known. This has been no sudden creation. It is the result of no imaginary 'new era.' There is no evidence that I have been able to find which would show for any decennium a materially greater rate of gain than the average."

"What is the unescapable implication? Clearly, that in another generation

or so, these United States will be so fabulously wealthy, and their wealth and income so well distributed, that scarcely any one will feel it worth while just to be rich."

PUBLIC utilities as a class have shown themselves more depression proof than any other group. In 1930, when representative industrial corporations showed an average decline of 44 per cent in earnings, railroads 41 per cent, public-utility corporations showed an actual gain over the previous year of one per cent. In pointing out the reasons why securities of public utilities are desirable investments, Matthew S. Sloan, president of the New York Edison Company, cited the subjoined reasons:

"It is an unusually stable business."

"It is a growing business; growing with the higher living standard which American ambition always produces; growing with the results of wide, intensive scientific research."

"It is a business which makes its product on customers' demand; it has no problem of surplus goods."

"It is a business as free from labor troubles as one can be."

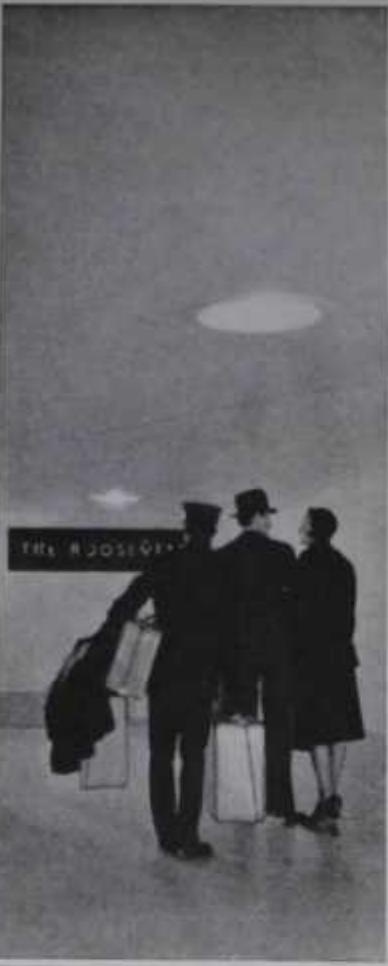
"It is a business kept on its toes by the fact that it serves every class and group in our population, at home and in place of business. Supplying a necessity of life, it is under the keenest critical observation every minute of the 24 hours. If that statement seems a bit broad, I refer you to the daily mail of any utility executive."

"It is a business supervised and regulated by public authority. As such, its rates, its quality of service, its capital issues are under official scrutiny and it operates with a legal guarantee of a fair return on the value of its investments and properties used for public service, if it can earn it. That qualification means much, but at least the utility has the legal protection against rates which might be set so low as not to yield a fair return under proper management."

WILLIAM FEATHER, Cleveland business philosopher, tells the best business story of the month.

An impecunious man went to his rich friend to say that the bank would lend him money on his note if the wealthy friend would indorse it.

The latter reprimanded his friend for going to the bank for funds, indicating that he would be happy himself to supply the needed cash to his poor friend, provided he would get the bank to indorse his note.



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When writing please mention Nation's Business

Motor Industry Grows in Canada

INCREASED manufacture of American motor cars in Canada has resulted from recent governmental rulings against imported cars, bringing about a revival in the Dominion's automotive industry.

The Canadian automobile industry has steadily grown until, in 1929, its best year, it produced cars, trucks and buses to the value of \$177,315,593 and totalling 262,625 in number. That year there were 17 factories producing cars and some 500 manufacturers, importers and jobbers in the automotive accessory and supply industry.

Branches of American plants

MOST of the factories are in Ontario, although western Canada has also an assembly plant. Ford, General Motors, Durant, Studebaker, Chrysler, Dodge and Willys-Overland cars are manufactured at plants at or near Windsor, Toronto and Oshawa, in Ontario, and at Regina, Saskatchewan. International, National and Gotfredson and other trucks are also made in Canada.

This list of manufacturers has been increased by three since the first of March, 1931. Reo, Nash and Hupmobile cars are now being made at Toronto and Windsor as a result of restrictions which set the duty on imported cars at 80 per cent of the United States list price, and which forbid cars being imported at a dealer's discount greater than 20 per cent of the United States list price.

More American manufacturers are expected to follow the lead of those who have already set up branch plants, for imported cars have to compete with Canadian-made cars of similar price class selling at a lower price.

The automobile industry has grown into an important place in Canada through a protective tariff which, prior to 1926, was 35 per cent on all cars. That year it was lowered to 20 per cent on cars under \$1,200 and 27½ per cent on those over that price. The lowering of the tariff on the moderate-priced car was followed by an influx of American automobiles. Canadian branch plants complained that they were not able to operate against such competition, and a remedy was suggested which resulted in a customs-duty rebate of 25 per cent on all imported materials if at least half the manufacturing cost of the car was expended for Canadian-made materials.

Because the Dominion has special trade treaties with other parts of the British Empire, a large export business has been established by the Canadian factories.

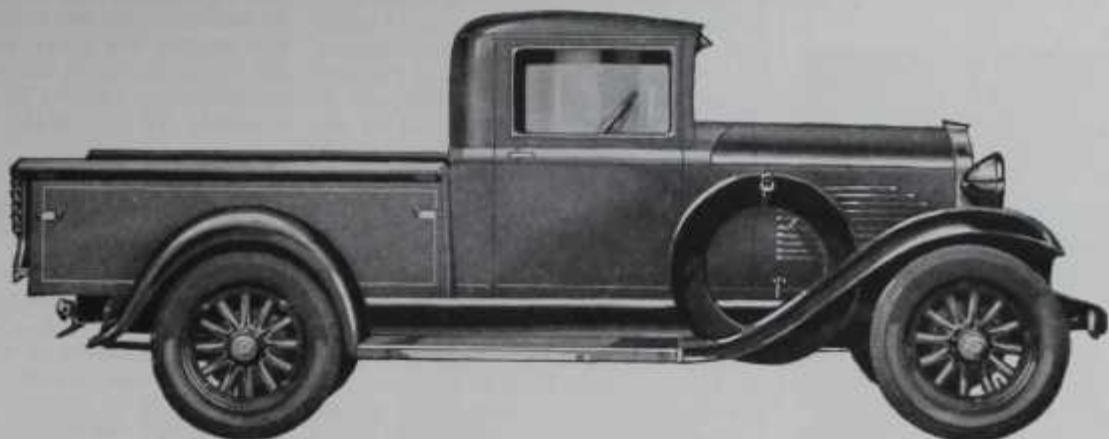
While 1930 saw a decrease in production of 41 per cent, the Dominion had registered at the end of the year 1,239,889 motor cars, an increase of 44,295 over the previous year. Canada has one car to every eight persons, ranking the third largest consumer in the world, as well as the third largest producer. Imports have averaged about a sixth of the production total.—JAMES MONTAGNES



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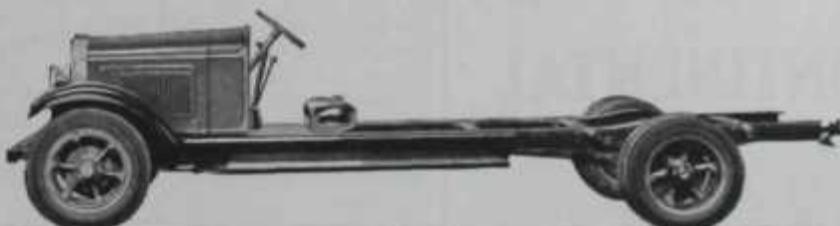
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Clean-cut appearance, sturdy reliability, economical operation and long life are winning for Willys Six Trucks the high regard of operators who keep a keen eye on records and costs . . . Capacities, $\frac{1}{2}$ to $1\frac{1}{2}$ -ton . . . Three wheelbases—113, 131 and 157 inches . . . 65-horsepower engine, full force-feed lubrication, floating type oil suction, 4-wheel duo-servo brakes . . . The $1\frac{1}{2}$ -ton units have 4-speed transmissions, *full floating rear axles* . . . Optional wheel and tire combinations, both single and dual, slightly extra.

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Fence is good enough

Business Goes on Record

(Continued from page 30)

capital. This levy accentuates the undesirable effects of both inflation and deflation, tending to restrict sales of capital assets when prices are high and thus increasing the evils of inflation, and in times of depression directly encouraging sales for the purpose of deductions of resulting losses, such deductions necessarily accompanying the levy. It is therefore urged that the present levy upon gains from transactions in capital assets, and the accompanying deductions of losses from such transactions, should be materially reduced.

Silver

STABILITY in the monetary systems of the countries of the world is essential to freedom in international trade relations and to development of prosperous conditions within each country. Stability in the price of silver is consequently of great importance to the welfare of silver-using countries as well as silver-producing countries, and to the nations with which they maintain trade relations. The problems which have been caused by the decline in the silver price, and by its fluctuations, are accordingly particularly appropriate for development and study by an international business men's organization such as the International Chamber of Commerce.

We accordingly urge that the International Chamber of Commerce should as one of its important activities continue and develop the interest it has already shown in the problems caused by the price of silver, to the end that it may as quickly as possible bring to bear upon these problems an international business judgment.

Transportation Problems

THE public importance of problems which are developing among the different forms of transportation make it desirable for the Chamber to enter upon an undertaking to bring together representatives of all interests, including users of transportation, for the purpose of obtaining a clear understanding which will promote the solution of these transportation problems.

Unfair Competition from Abroad

THE clear intention of the laws of the United States is that American industries should not be subjected to unfair competition from abroad. The Chamber of Commerce of the United States has long advocated legislative provision for such protection. This position is not in any wise contrary to the Chamber's advocacy of removal of arbitrary restrictions and other obstacles of an artificial kind which have constituted hindrances to international commerce.

Conditions in the production abroad of some important raw materials, including lumber, pulpwood, and manganese, and importation of these products into the United States, have raised questions of very great importance to American producers in the

domestic market as to the fairness of the competition from these imports. Application of the provisions of existing law, and of law which will within the year become operative, should give a large measure or complete protection from unfair competition in imports, and so far as experience demonstrates before Congress assembles that existing law is not adequate, or will not be adequate, for prevention of unfair competition we ask that fully adequate provisions of law be promptly enacted.

Merchant Marine

THE NATIONAL Chamber regards the possession and successful operation of an American merchant marine as essential to the development of foreign markets for our agricultural and industrial products and as necessary to the continued prosperity of the country. We note with satisfaction the progress which is being made in the development of an American merchant marine and in placing it on a sound basis in regular line services to the principal world ports through support which has been given American shipping interests by the mail-contract aid provided by the Merchant Marine Act, 1928.

We advocate continuation by the Government of its efforts to get out of the shipping business, and believe it should dispose of its remaining services and ships on a basis which will assure the granting of adequate mail contracts to the purchasers of the services, preferably to the present operators on the basis of ascertaining operating ability.

The support of American ships by American shippers and travelers is essential to the upbuilding and maintenance of an American merchant marine, and the time is approaching for the Government to plan for renewing existing mail contracts with efficient contractors on a basis which will provide for a continuance of all essential services.

Ocean Bills of Lading

IN VIEW of the advantages to all concerned that would be secured by a uniform ocean bill of lading, every effort should be made to secure enactment into American law of the Hague Rules with the amendments recommended by the Conference on Uniform Ocean Bills of Lading called by the National Chamber in Washington, November 14, 1930.

Street and Highway Traffic

THE NATIONAL CONFERENCE: Uniformity in traffic laws and regulations is of widespread interest by reason of the country-wide movement of motor vehicles. The National Conference on Street and Highway Safety, in the light of the latest experience, has revised the uniform standards it proposes, has perfected its uniform vehicle code, which has the endorsement of the National Conference of Commissioners on Uniform State Laws and of the American Bar Association, and has brought forward a model municipal traffic ordinance.

BOLTS...BOLTS...BOLTS...

page after page after page of them

A very large corporation making heavy machinery had, over a period of years, added to its bolt and nut designs until they filled 64 large blue prints. The engineers, purchasing department, and shop men often spent considerable time thumbing through the pages of this "catalog" before finding the information needed for specifying, ordering, and shop procedure.

The "catalog" contained numerous odd sizes and odd lengths of bolts and nuts. Finish specifications, in many cases, were not standard. The result of attempting to follow this voluminous file of information was numerous small and special orders which increased costs and delayed production. Often assembly of some enormous machine was delayed.

We suggested a simplification and a standardization of this machinery company's bolt and nut designs. In co-operation with their engineering department, we prepared three pages of blue prints which displaced the old 64-page "catalog." Since then our customer has saved money in many ways, and always gets prompt service on its orders.

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YOUR DIRTY COMPETITOR DUST

DUST observes no rules of etiquette. It contaminates your product. It cripples your machinery. It spreads germs among your employees, your school children. It spoils stocks of material before you can turn them into merchandise. Dust is your most ruthless competitor. It is in your store, your plant, your school, your building, defeating your purposes. Thousands of business men, educators, architects and engineers have revolted against dust; have excluded it through the use of modern air filters.

There is no limitation to the use of modern air filters. A food manufacturer uses them to prevent bacterial contamination of his products. A store uses them to reduce upkeep costs, stock spoilage and to provide clean healthful air for



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The National Conference at its 1930 meeting has added to its program recommendations relating to protection of railway grade crossings and highway intersections, measures for the relief of traffic congestion, and plans for assurance of maintenance of motor vehicles in a safe condition. All of the measures proposed by this conference should receive most careful consideration from business men's organizations and from all public authorities that deal with problems in the field of street and highway traffic.

FINANCIAL RESPONSIBILITY LAWS. The National Chamber has heretofore expressed its opposition to the principles of compulsory automobile insurance. The Chamber, however, recognizes the basic principles involved in the so-called financial responsibility laws as equitable and conducive to improving safety conditions on our streets and highways.

International Highways

SUBSTANTIAL progress is recorded in the development of an international highway south from the United States, which has been endorsed in principle by the National Chamber. More recently definite steps have been taken looking to the extension of the highway northward to Alaska, and commissions of the United States and Canada are now making a preliminary study of the proposal. The Chamber urges early completion of the necessary engineering and economic studies and favorable consideration of the results thereof.

National Parks

THE NATIONAL Chamber has earlier advocated the construction of highways by the Federal Government to promote the use of the Government's lands in the western states for the purposes to which the lands are devoted. We recommend particularly the early construction by the Federal Government of adequate approach roads and other highways pertaining to the national parks.

Trade Associations

THE CHAMBER of Commerce of the United States reaffirms its endorsement of well-organized and properly conducted trade associations and commends their support to all business institutions and business men of the nation.

American Chambers Abroad

T H E advancement of the foreign commerce of the United States depends upon the capacity and activity of the representatives of American business abroad, and upon the promotion of approved standards of business among their members. American chambers of commerce located in foreign countries, by their experience and resources and because of the purpose for which they exist, are natural and valuable sources from which to obtain knowledge of conditions abroad and to secure effective assistance for the development of American business, and they are effective agencies for the promotion of international good will.

The Chamber of Commerce of the United States recognizes the value of American chambers of commerce abroad in the development of our foreign commerce and urges all American firms and companies



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having representatives in foreign countries to encourage their representatives to join the American chambers of commerce in those countries and to aid them by an active participation in the work of such chambers and their committees.

Motor-Bus Regulation

NO FEDERAL or state regulatory authority now has jurisdiction over interstate commerce by motor bus. Such commerce has become an important part of the commerce among the states. Congress should accordingly enact legislation for regulation of motor buses engaged as common carriers in interstate commerce.

Aeronautics

THE NATIONAL Chamber has earlier laid emphasis upon the uniformity which is desirable throughout the country in regulation of air traffic in all of its phases and the assistance which may be obtained in dealing with problems in this field from the Department of Commerce. For the greater development of the use of aircraft, municipalities should receive wider powers to establish airports inside and outside their boundaries. Municipalities should undertake zoning of the vicinity of public landing fields for the preservation of safe conditions.

The Federal Government should continue its program for provision of adequately equipped airways, should promote extension of the domestic and foreign air transport with contracts for air-mail service, adding where necessary provision for such service on a basis similar to the provisions for star route and similar services, should enact legislation to encourage private enterprise in developing dirigible airship services overseas with proper measures for provision of noninflammable helium lifting gas for such lines, subject to the needs of the national defense, and should mold its regulations as to clearances and arrivals of aircraft in foreign trade, and the formalities as to passengers and cargo, in such a manner as to remove unnecessary hindrances.

In order that false impressions on the part of the public with respect to the air-transport industry may be avoided, flying meets should be permitted only if held under proper supervision and without spec-

tacular stunting or other features unrepresentative of the normal uses of aircraft. In this connection, and for sound local aeronautical development, representative aviation committees of commercial organizations can be very useful.

Other Subjects

THERE have been before the Resolutions Committee proposals for action upon a number of other subjects with respect to which the Resolutions Committee has decided not to recommend action at this time. It is the recommendation of the committee that the proposals on these subjects, and all of the papers relating to them, should be referred to the Board of Directors for such further action as the Board may find suitable in each case.

Commodity Exchange Trading, with a suggestion that the existing policies of the Chamber already apply to the major propositions;

Foreign Trade Secretary, with a suggestion that the subject might receive consideration by the Foreign Commerce Department of the Chamber and the Department's committee;

Immigration, with a suggestion that consideration of a general immigration policy is now appropriate;

Land Utilization, with a suggestion that the proposals should receive study;

Lumber, in view of the expressions upon this subject contained in the declaration made by the last Annual Meeting;

Motor-bus Regulation as to Dimensions and Speed, with a suggestion that the subject might receive consideration;

National Defense Works, with a suggestion that it should be considered by the Civic Development Department and its committee;

Panama Canal, with a suggestion that through a transportation conference or committee consideration and report this subject should be prepared for action by the Chamber not later than the next Annual Meeting;

Public Purchases, with a suggestion that the proposal should be studied by the appropriate department of the Chamber;

Toxicab Regulation, with the suggestion that the subject may appropriately receive consideration.

Where Business Will Meet in June

DATE	ORGANIZATION	CITY
1	National Association of Printing Ink Makers	Delaware Water Gap, Pa.
1-2	National Assn. of Certified Public Accountants	Philadelphia, Pa.
2-3	Printing Ink Cost Bureau	Delaware Water Gap, Pa.
4	Pacific Coast Founders Association	San Francisco, Calif.
4-5	Canadian Gas Association	Montreal, Que., Canada
8	National Association of Sheet Metal Dealers	Chicago, Illinois
8-11	National Association of Purchasing Agents	Toronto, Ont., Canada
8-12	National Electric Light Association	Atlantic City, N.J.
9	Southwestern Interstate Coal Operators Assn.	Kansas City, Mo.
9-12	Linen Supply Association of America	Detroit, Michigan
14	National Retail Credit Association	St. Louis, Mo.
15	Pacific Northwest Real Estate Association	Spokane, Wash.
15-16	Picture & Mirror Frame Manufacturers Assn. of America & Allied Industries	Chicago, Illinois
15-18	Associated Manufacturers of Saddlery Accessories	Chicago, Illinois
15-18	National Association of Cost Accountants	Pittsburgh, Pa.
16-18	International Circulation Managers Association	Ashville, N.C.
17	National Association of Credit Men	Boston, Mass.
22	National Retail Hardware Association	Cleveland, Ohio
22-26	American Dental Trade Association	White Sulphur Springs, W. Va.
22-26	American Institute of Electrical Engineers	Ashville, N.C.
22-26	American Society for Testing Materials	Chicago, Illinois
22-27	American Home Economics Association	Detroit, Michigan
23-25	National Cigar Box Manufacturers Association	Windsor, Canada
26	Theater Owners Booking Association	St. Louis, Mo.
29	Southern Newspaper Publishers Association	Ashville, N.C.

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Not one hour of tire trouble on the road!

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During a period of twelve months, these Firestone Truck Tires covered a total of 1,500,000 miles and did not have one single hour of tire trouble!

Light trucks or heavy—whatever the road conditions are—speed required or traction needed—you can be sure your drivers will make their trips on schedule by changing over to Firestone Truck Balloons.

Your nearby Firestone Service Dealer will gladly tell you how they can save money on your trucks. Telephone him today.

Check these Extra Values with your present Truck Tires:

- 1—Gum-Dipped Cords—pure liquid rubber penetrates every cord. This minimizes internal friction heat, and adds 58% to the flexing life of Firestone Cords.
- 2—Patented Double Cord Breaker—Two extra protective plies under the tread that give 26% greater protection against punctures and blowouts and 56% stronger union between tread and cord body.
- 3—Tougher, wider, deeper-grooved tread—gives you 25% longer non-skid life. This results in 25% to 40% longer tire life and quicker trips through increased speed with safety which assures on-time schedules without delay.



Firestone

MOST MILES PER DOLLAR

Copyright, 1931, The Firestone Tire & Rubber Co.

When buying FIRESTONE products please mention Nation's Business to the dealer

Boost Your Sales Win New Customers



Save Printers' Bills

Multistamp is the hand-operated duplicator so simple in construction that anyone in your office can use it, so rugged that there's nothing to get out of order. Yet Multistamp will do the same class of work as big, expensive equipment, but at a fraction of the cost. Its nimbleness and adaptability enable it to do many kinds of work that big equipment cannot do.

Multistamp is a thoroughly tested and practical piece of office equipment used by such companies as American Tel. & Tel., Du Pont, General Electric, and thousands of others in all parts of the world. Multistamp prints letters, postcards, office forms, direct advertising matter, maps, signatures, on any grade of paper. There are no moving parts. No type to set.

MULTISTAMP

REG. U. S. PAT. OFFICE

Over a quarter
million users



Easy to Use

You write, typewrite, or draw on the Multistamp Stencil as you would on a sheet of paper. Snap the Stencil on Multistamp. Roll off the clear, perfect copies . . . 1,500 an hour. Easy as using a rubber stamp. Stencils may be filed and used again and again. Every outfit fully Guaranteed for five years.

A Size for Every Need

The largest Multistamp takes up less space than a typewriter. They are made with printing surfaces from rubber-stamp size to legal page size at prices from \$7.50 to \$35.00 for completely equipped units. Combinations of three sizes, with complete equipment for each, in handsome metal cabinets, \$50.00 and \$60.00. (See illustration below.)



Service Stations in Most Principal Cities. Ask for Demonstration.

"A Print-Shop on Your Desk"

The Multistamp Company, Inc.
529 W. 20th St.
New York, N.Y.

©1931 M. C. Inc. No. 8 Outfit, \$60⁰⁰ F.O.B. Factory

**Write for Full Information
and Samples of Work**

Through the Editor's Specs

(Continued from page 9)

Perhaps it is not too didactic to point out that every business has its oil cups—small, unimpressive units almost lost in the great busy machinery; units which seem unimportant but which, if they fail, may bring damage to the whole organization. Perhaps already some of them have been overlooked, with a resulting slowing down as figurative bearings begin to run hot. Perhaps a spot of oil in these neglected places of the business machinery may mean the difference between increased speed and a costly repair bill.

Perhaps it would be well for every business man to repeat periodically to himself the query of the service-station man:

"Check your oil, sir?"

THE other day I noticed that my department store has put in a pet shop as a new department. It already had a restaurant, so that now I am sure of getting a bulldog and a hot dog under the same roof. Seriously, there is something more in the idea of service which deserves consideration. Statistical studies show that retail costs of doing business are slowly on the upgrade in almost all lines, and seldom does a retailer arise to explain just why this should be so.

Added services, demanded by the public, are the largest factors in rising costs of doing business. Does the public know this? It has always seemed to me that the public should be more aware of the fact that it buys services as well as merchandise. Perhaps it is too easy to talk price only, but it is obvious that no great and lasting retail business was ever built up on an appeal of price alone. The establishment and its services are worth talking about just as much as the reduced price of some particular article of merchandise.

IN THE *American Printer* for May, W. Arthur Cole, vice president of Dorrance, Sullivan & Company, has written an appreciation of two books, "The Gospel According to Saint Luke" and "The Gospel According to Saint John," printed and published by Judd & Detweiler, Inc., in Washington.

These two volumes which, says Mr. Cole, "strike a new note in American book design," are the work of Lester

Douglas, art director for NATION'S BUSINESS. With the cooperation of Hans Foy and Lewis Daniel, artists, and John Davis, of the Judd & Detweiler Company, Douglas set out to create a harmoniously executed book. Critics agree that he succeeded in his endeavor and his colleagues on the staff of NATION'S BUSINESS are proud of his achievement.

We are also proud that, in his discussion of Mr. Douglas' books, Cole says this:

"Today, Business places the largest and most varied commissions with creators of beauty. Business finds art in industry a most profitable tool. The place of the Church as the chief patron of art in centuries long past has now been usurped by Business."

"Business being essentially of this day, it seemed particularly fitting that its official mouthpiece, NATION'S BUSINESS, should clothe its expressions in the freshest possible garb of the moment—in type dress and illustration that express today. Each month, in the pages of NATION'S BUSINESS, Lester Douglas has done much to accomplish this—dramatically yet rationally."

STIMULATED by Herbert Corey's article, "Solving the Unemployment Riddle" in the April issue of NATION'S BUSINESS, W. O'Neil, president of the General Tire and Rubber Company, writes to tell of the action his Company has taken in furthering the interests of employees.

In order to stabilize employment and alleviate the condition of any employees temporarily laid off, that Company recently took significant action. When the directors voted to declare an extra dividend of \$1 a share on the common stock, they also voted to set aside a sum equal to this for the benefit of the employees.

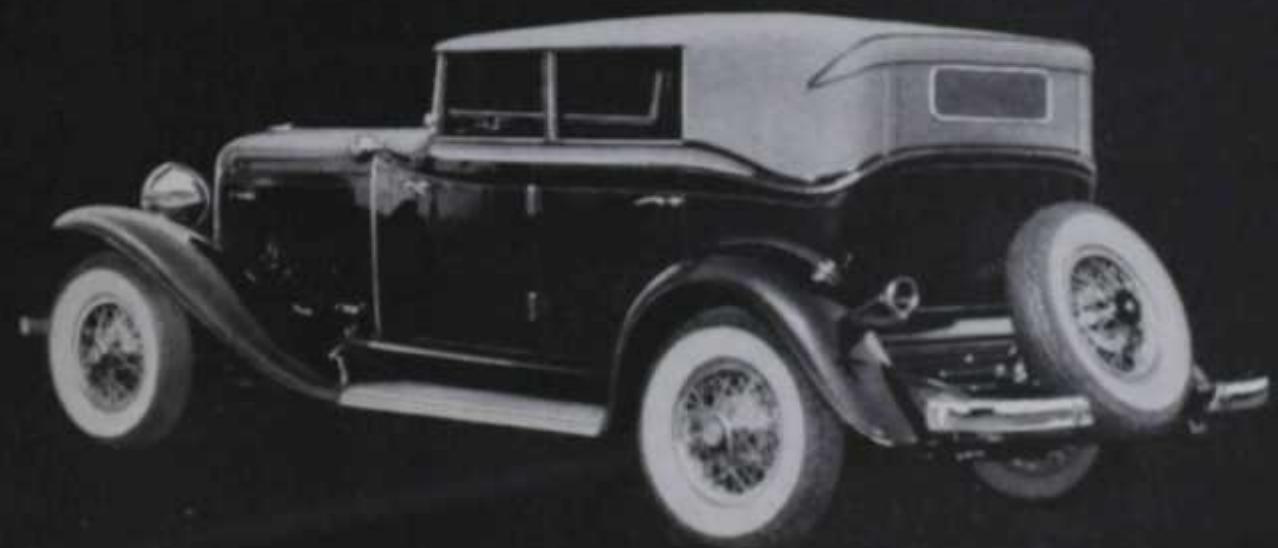
Mr. O'Neil says:

"The fund which the directors have established will be used primarily to finance out-of-season sales in order to make employment more uniform all year round."

"It will also provide money which may be loaned to any of the employees in our regular departments who may be temporarily laid off. This money will be advanced to them through the General Tire Acceptance Corporation, one of our



We are often asked why Auburn, the originator of designs, never advertises the exterior beauty of its cars. Because, we believe that basically an automobile is a machine for transportation; also that it is a very important investment. Structural strength, efficiency and endurance, and not outer appearance, are the fundamentals that determine value. The surface may attract, but it is the inner quality that holds the allegiance of Auburn's owners.



AUBURN

POWERED BY LYCOMING

The car illustrated above is the Five-Passenger, Convertible Phaeton Sedan. Silent-Constant Mesh in Standard Models. Alan Free Wheeling in Custom Models. Custom models \$1000; 5-pass., 2-door Birmingham \$1145; Business Man's Coupe \$1195; Convertible Cabriolet \$1245; 4-door Full Sedan \$1395; Convertible Phaeton Sedan \$1345. All Custom Models include Free Wheeling. Standard models 5-pass., 5-passenger, 2-door Birmingham \$945; 4-door Full Sedan \$995; Convertible Cabriolet \$1045; Convertible Phaeton Sedan \$1145; Business Man's Coupe \$1095. All prices f.o.b. Connersville, Indiana. Exports and other than standard, at extra cost. Prices subject to change without notice. AUBURN AUTOMOBILE COMPANY, AUBURN, INDIANA

St. Paul's Cathedral, London. Photo by Ewing Galloway.

**PROVES THE
PERMANENCE
OF LEAD ROOFING**

*Franklin Mint,
Cleveland,
Ohio.
Leadclad
roofing
and siding.*

Many a famous building of the old world offers mute testimony to the enduring qualities of lead as a roofing material. Pure lead, as the ancients knew it, however, lacked tensile strength, and was available only in ponderous slabs necessitating massive structural supports. In striving for lead surface protection, this method was the only logical course open to them due to their limited facilities.

Leadclad—Pure Lead, strengthened and reinforced by a core of steel, insures today the protection of this same imperishable metal. It provides also the paramount modern roofing requirements, lightness, strength, ease of handling, freedom from upkeep and repair expense.

Get the facts for your next roofing job now. Your dealer can supply them or write us direct.

WHEELING METAL & MFG. CO.
Wheeling, W. Va.

Investigate LEADCLAD thoroughly for your next roofing or re-roofing job. Send for the booklet "Leadclad Defies Age and Time" containing complete information about this economical roofing material.

LEADCLAD
REG. U. S. PAT. OFF.

subsidiary companies, so that they may have the equivalent of five days' work each week.

"As our plant is now operating fully, there will, of course, be no need for such loans to our workers at this time.

"While we do not expect to take unusual risks, we expect to be able to level off our sales picture by absorbing financing costs during ordinarily dull months. This will help to spread over the winter months some of the business that always comes with a rush when warm weather arrives. Naturally, of course, we do not care to divulge some of our sales plans in detail.

"Workers who need their wages in winter months to buy fuel, and food and shelter will be given more steady employment through the dull winter months through the use of this fund which will help to absorb interest charges and obtain business when it can be handled to most advantage.

"When the directors decide to pay an extra dividend, they also decide that they would cut in two parts the amount available for this extra dividend, so that the workers might get as square a deal as the stockholders.

"Last year, General Tire workers averaged in income only nine per cent less than they received during the abnormally busy year of 1929. We hope to be able to maintain their earnings during 1931 at at least as high a point as in 1930.

"We do not regard this as a philanthropic move nor do we have any intention of indulging in any crack-brained theories. It is simply a matter of good business. We believe that the saving in plant costs which will result will take care of the sum which we have set aside.

"We believe that experience will show that it has been a wise step to use a part of our extra dividend in this way. If so, it is possible that we may do the same thing with other dividends in the future."

*

HOW does a big business begin? Well, here is the story of one firm, Thompson's Restaurants, as told by C. F. Drake of that company.

"In 1891 John R. Thompson sold his farm in a small town in Illinois and came to Chicago with Mrs. Thompson for the purpose of getting into some business that might be profitable during the World's Fair. They dropped into a small restaurant on South State Street for supper and Mr. Thompson complained to the proprietor about the character of the coffee and stated he could

make a better cup himself. The proprietor replied, 'If you think so, come back and make it.'

"Mr. Thompson, a man of action, jumped up from the table and started for the kitchen—the proprietor stopped him and said 'If you want to make a cup of coffee in here you will have to buy the place.' They retired to the kitchen and when Mr. Thompson returned to the table he informed Mrs. Thompson that he had bought the business.

"This marked the beginning of the John R. Thompson Co. restaurant chain which today owns and operates 122 restaurants in 42 cities."

M.T.

Statement of Ownership

STATEMENT of the Ownership, Management, Circulation, etc., required by the Act of Congress of August 24, 1912, of Nation's Business published monthly at Greenwich, Conn. and Washington, D.C., for April 1, 1931.

City of Washington, County of District of Columbia, etc. Before me, a Notary Public in and for the State and county aforesaid, personally appeared Merle Thorpe, who, having been duly sworn according to law, deposes and says that he is the Editor of Nation's Business and that the following is, to the best of his knowledge and belief, a true statement of the ownership, management (and if a daily paper, the circulation), etc., of the aforesaid publication for the date shown in the above caption, required by the Act of August 24, 1912, embodied in section 411, Postal Laws and Regulations, printed on the reverse of this form, to wit:

1. That the names and addresses of the publisher, editor, managing editor and business managers are: Publisher, Chamber of Commerce of the U. S., Washington, D. C.; Editor, Merle Thorpe, Washington, D. C.; Managing Editor, J. W. Bishop, Washington, D. C.; Business Manager, J. B. Wyckoff, Washington, D. C.

2. That the owner is: Chamber of Commerce of the United States of America, said body being an incorporated organization under the laws of the District of Columbia, its activities being governed by a Board of Directors.

The officers are as follows:

President: William Butterworth, chairman of board, Deere & Co., Moline, Ill. Vice presidents: W. Rufus Abbott, chairman of board, Illinois Bell Telephone Company, 212 West Washington Street, Chicago, Ill.; A. J. Brosseau, president, Mack Trucks, Inc., 25 Broadway, New York, N. Y.; Karl De Laittre, president, Hovey-De Laittre Lumber Company, 224 Plymouth Building, Minneapolis, Minn.; John G. Lonsdale, president, The Mercantile-Commerce Bank & Trust Company, St. Louis, Mo.; Paul Shoup, president, Southern Pacific Company, 65 Market St., San Francisco, Calif.; William M. Wiley, P.O. Box No. 5, Melbourne, Fla. Treasurer: John Joy Edwin, chairman of the board, Washington Loan and Trust Company, Washington, D. C. Secretary: D. A. Skinner, U. S. Chamber of Commerce, Washington, D. C.

3. That the known bondholders, mortgages, and other security holders owning or holding 1 per cent or more of total amount of bonds, mortgages, or other securities are: None.

4. That the two paragraphs next above, giving the names of the owners, stockholders, and security holders, if any, contain not only the list of stockholders and security holders as they appear upon the books of the company but also, in cases where the stockholder or security holder appears upon the books of the company as trustee or in any other fiduciary relation, the name of the person or corporation for whom such trustee is acting is given; also that the said two paragraphs contain statements embracing affiant's full knowledge and belief as to the circumstances and conditions under which stockholders and security holders who do not appear upon the books of the company as trustees, hold stock and securities in a capacity other than that of a bona fide owner; and this affiant has no reason to believe that any other person, association, or corporation has any interest direct or indirect in the said stock, bonds, or other securities than as so stated by him.

Merle Thorpe,
(Signature of Editor.)
Sworn to and subscribed before me this twenty-fifth day of March, 1931
(Seal) *WALTER J. HARTLEY*
(My commission expires September 10, 1932.)
Notary Public, District of Columbia.



FLEET OF AUTOGIROS IN A STRIKING SETTING CAUGHT BY THE CAMERA OF CY LA TOUR

(The answer — to what?)



IN COMMENTING upon the Autogiro, those most familiar with aviation's progress have expressed the same thought again and again, in almost the same words: "That's the answer." The answer to what?

To the need for an aircraft with such inherent stability that it can be safely operated by the average person capable of operating an automobile—an aircraft whose security does not depend primarily upon the highly developed skill of its pilot, an aircraft which is capable of high speed but can stay in the air at low speeds as well, an aircraft which will alight gently with little or no forward motion and which can take-off or land in almost any small open space. That is what expert observers of the Autogiro mean when they say "That's the answer." Although the Autogiro can travel at high speeds it does not require speed to stay in the air. It can slow down, stop and hover—or descend at no forward speed—in perfect control. It cannot fall off from a stall into a tail spin. Even if the

"A SALUTE"—"The most extraordinary figure that has loomed on the aeronautical horizon since the days of the Wright brothers is Señor de la Cierva, inventor of the Autogiro. This fact must be admitted regardless of any predilections for or aversions toward the autogiro itself. The name of its inventor is destined to go down in history, if not with the Wrights—that would be too much to expect of any name—at any rate as the name of the first man to hit upon a radical innovation in the Wrights' system of securing controlled free flight.

engine dies, the pilot and his passengers face no trying emergency. The Autogiro can still glide to earth just as the airplane does, or it can descend vertically, more slowly than a man in a parachute, and land in almost any small, open space. It requires much less skill and experience to fly an Autogiro—and so requires less time to learn.

It is an aircraft in which you can "go places and do things." That is why the almost unanimous expression of approval has been, "That's the answer."

The Autogiro Company of America is not a manufacturing or selling company. It is solely an engineering and licensing organization. It owns and controls, exclusively, all Autogiro patent rights in the United States. Manufacturing companies of high standing will be licensed to build Autogiros with the full cooperation of our engineering staff.

PRESENT LICENSEES ARE: Buhl Aircraft Company, Detroit, Mich. . . . Kellett Aircraft Corp., Philadelphia, Pa. . . . Pitcairn Aircraft, Inc., Willow Grove, Pa.

"That statement may seem extravagant but it will stand examination. Heavier-than-air flying, with the single exception of the autogiro, is today in method exactly what it was as demonstrated by the Wrights a quarter of a century ago. Their work has been developed, refinements have been introduced, power plants have been perfected; but the fundamentals are the same.

It remained for Cierva to try something distinctly different—something different, that is to say, that works."—Quoted from an editorial in U. S. Air Services, January, 1931.

AUTOGIRO
© 1931, Autogiro Co. of America

AUTOGIRO COMPANY OF AMERICA • • • LAND TITLE BUILDING • • • PHILADELPHIA

When writing to AUTOGIRO COMPANY OF AMERICA please mention NATION'S BUSINESS

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THIS is one of a series
of editorials written by
leading advertising men
on the general subject
of advertising

"If only the DIRECTORS hold out!"

In the blackest days of the War the battle-weary, trench-worn poilus of France had a grim jest all their own: "We'll make it," they said with gentle irony,—"if only the *civilians* hold out!"

Today, in his secret heart of hearts, many a never-say-die president, general manager or sales executive feels like that about his Board of Directors.

They won't say so, these men on the commercial firing-line, but often their anxiety is less for the difficulties they face than for the stamina of those behind them.

If by inheritance, banking influence or any reason other than inspired knowledge of the business you sit on a Board and tend toward pessimistic oratory—now is a grand time heroically to resist temptation!

Your Management already knows that times are tough, that sales are hard to get, that competition is fierce and stockholders querulous—probably knows it better than you do.

If despite all this it can summon the resourcefulness and zeal unaffrighted to make *sound plans for aggressive sales and advertising action*, thank Heaven you have such Management!

Pour your faith and enthusiasm into such men; they *need* it to pass on down the line—or, if you honestly can't, better honestly clean house.

We feel that Directorship can render no higher service to business than to encourage Management to demonstrate that sensible plans and courageous action can produce results *right now*.

Make it emphatically clear to the men who are carrying *your* business battle that *their* Board harbors no defeatists, and that you, like themselves, realize that victories are gained by going forward!

ARTHUR KUDNER, President,
Erwin, Wasey & Co.

PIERCE-ARROW TRUCKS

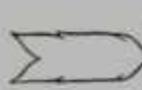
won't wear out

MORE than 60% of all Pierce-Arrow trucks built are still earning profits for their owners. The very first Pierce-Arrow (built in 1911) is still in service. Many of these rugged veterans have seen 15, 18, even 20 years of strenuous service—they are not worth a dollar on the books because their purchase price was written off years ago, but they are still earning profits.

As an example, the Edward Hines Lumber Co., Chicago, bought 6 Pierce-Arrow 5-ton trucks in 1922.

"For 9 years these stalwart trucks, working with trailers, hauled double capacity loads—and these same trucks are still in excellent condition," says the garage superintendent. "Low maintenance costs are proof of sturdy construction. Old number 12 traveled over 79,000 miles before it needed an overhaul. These Pierce-Arrows have plenty of power and are absolutely reliable."

The new Pierce-Arrow heavy-duty trucks, offered in 5 chassis models ranging from 12,000 to 34,000 pounds maximum gross weight rating, are thoroughly modern, and the finest trucks ever built—even by Pierce-Arrow.

 **PIERCE-ARROW** 
Buffalo, New York



7 out of 10 workers must see like this

JUST AS YOUR EYES slow down and hesitate in reading this, so, in 7 factories out of 10, workers' eyes slow down and hesitate on the job.

For example: Miss Ross, in the inspection department, stops every now and then and shifts her chair to try to make seeing easier. Dave Barlow, out in the shop, is always fussing with the bare lamp above his machine, trying to fix it so he can see without glare. Pat Corrigan has to read his micrometer at the window. And workers adopt many other expedients which cost you money to compensate for incorrect, inadequate lighting.

Are you an executive in the "7 out of 10" type of plant? Walk through your factory and see.

Only 3 out of 10 workers see like this

IN FACTORIES where *they* work, eyes travel swiftly and easily—as your eyes do in reading this. And as a result, production costs are often as much as 15% lower. Accidents are fewer. Spoilage is less. Morale is better.

Is your plant one of those in which the fortunate "3 out of 10" work?

You may obtain expert assistance in finding out—without cost or obligation—by writing National Lamp Works of General Electric Company, Nela Park, Cleveland, Ohio. In the meantime, clip this coupon for your copy of a valuable booklet on industrial lighting.

WHICH LIGHT WOULD YOU CHOOSE?

NATIONAL LAMP WORKS
OF GENERAL ELECTRIC COMPANY
Nela Park, Cleveland, Ohio

Please send me a copy of "Six Minutes Difference," a remarkable booklet which demonstrates graphically the advantages of better industrial lighting.
M. H. 6-31

Name _____

Address _____

City _____ State _____

GENERAL
MAZDA  ELECTRIC
LAMPS

When writing to NATIONAL LAMP WORKS OF GENERAL ELECTRIC COMPANY please mention Nation's Business

GENERAL
MAZDA  ELECTRIC
LAMPS

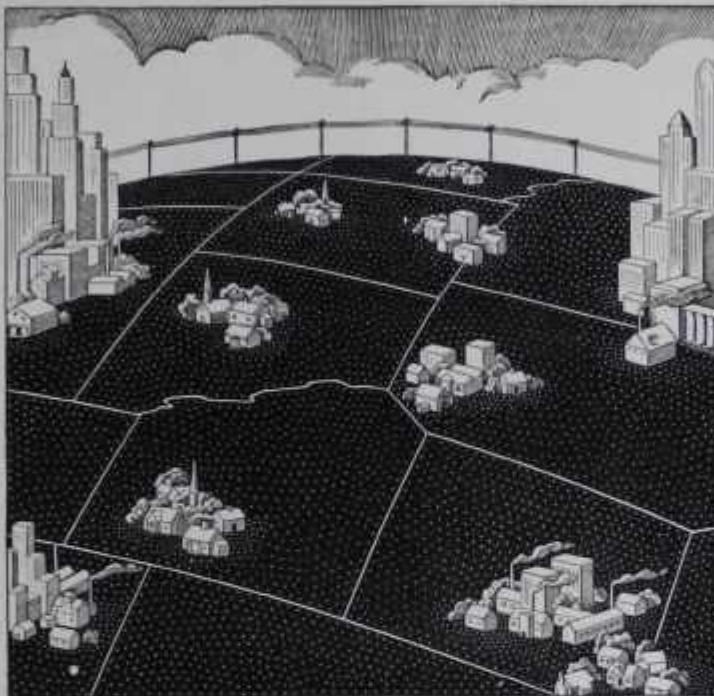
* * *

Your telephone gets things done

QUICKLY at low cost



Doing business by telephone saves time, money. Out-of-town calls are as definite and as satisfactory as across-the-desk conversations.



Your Long Distance telephone call takes you "there and back" in minutes. It is today's economical way of transacting inter-city business.

THE TELEPHONE brings together men who have the authority to act. This is one reason a Long Distance call results so often in a completed transaction. In the space of minutes you can give or receive information . . . settle problems . . . conclude all arrangements. Whatever your question concerns—sales or purchasing, production, administration, credit, traffic—you get action.

This is vital in meeting today's keen competition. The telephone simplifies all merchandising operations. Attunes production to customers' requirements. Speeds deliveries. Reduces expensive stock-on-hand.

The sales manager of a large middle western corporation terms Long Distance

"very cheap sales expense." An official of a New England specialty corporation writes: "Were it not for efficient telephone service, we would be more seriously handicapped than I would care to imagine." A southern textile company: "Telephone service to other cities is one of our most useful tools."

The telephone eliminates the handicap of distance. It brings people "into your office" when you want them.

Rates are very low. Typical day station-to-station charges: Atlanta to Jacksonville, \$1.35. Denver to Pittsburgh, \$4.75. Detroit to Cleveland, 60 cents. A telephone call gets things done . . . quickly . . . easily . . . inexpensively.





TIMKEN Has a Bearing on Your Glass of Water

Just a glass of water! Nothing particularly startling about that. Yet back of this simple glass of water is one of the world's most intricate and amazing mechanical installations—the modern water works.

... In many operations, from excavating to the final delivery of pure water in your municipal mains, Timken Bearings are employed to deliver that glass of water, to you, economically.... Just as Timken Bearings aid in delivering that glass of water at the lowest possible cost, so do Timken Bearings make possible economical high productiveness wherever wheels and shafts turn.... Timken is an economic factor in all industry. Its design resists friction—that deadly foe of all industrialism.... "Timken Equipped" means machines are tuned to the highest pitch of long-life efficiency. This is due to Timken tapered construction, Timken positively aligned rolls and Timken-made steel—an exclusive combination.... In addition, lubrication costs are cut to the bone—waste is eliminated—excessive upkeep becomes a nightmare of the past, for Timken Bearings are unaffected by the punishment of radial or thrust loads or both in any combination. For top notch productiveness at all times, under all conditions, select Timken equipped machinery.... The Timken Roller Bearing Company, Canton, Ohio.



Copyright 1931 by The
Timken Roller Bearing
Company

